

The NATIONAL UNDERWRITER

Life Insurance Edition



Why THE MAN OF LAW needs a life insurance specialist

Considering the complexity of our society, it is not surprising that the average man is completely bewildered when confronted with a legal problem. That's why people put their trust in the men who understand and define our laws in their truest sense—specialized men who echo the integrity of our legal system.

Specialization is no less important in other fields. The lawyer himself recognizes the need for sound, intelligent assistance in planning his life insurance. He seeks out a specialist who knows how to interpret the generalized advantages of life insurance in terms that answer *specific* financial needs and wants. He puts his confidence in the man who knows the *best* way to provide comprehensive protection for his family, security for his own future. That's why so many discerning men of law turn to the career underwriter representing The Union Central Life Insurance Company.

As one of the most thoroughly trained specialists in his

field, The Union Central underwriter knows how to analyze a wide range of personal financial problems as diversified as the many situations in which they occur. Equally important, he carries a folio of policies issued from birth to age 70 to meet every human need.

And The Union Central underwriter is actively supported by a Company with a national reputation for progress, integrity and stability—a Company which has encouraged family protection and individual financial foresight for over 88 years. Home Office research and planning constantly provide him with more and more effective ways of fulfilling his responsibilities to his policyholders. So get to know the specialist who represents The Union Central—the man who is really equipped to help you plan a sound, intelligent life insurance program.

**THE UNION CENTRAL LIFE INSURANCE COMPANY
CINCINNATI**

This advertisement, adapted from a prospecting brochure designed specifically for this field, is just one example of many ways The Union Central supports its underwriters with specialized promotional material to fit every type of life insurance market.

FRIDAY, AUGUST 19, 1955



Symbol of Professional Stature

At the command of the career Life Underwriter is a variety of facilities for education and self improvement. Notable among these is the program of the American College of Life Underwriters.

The underwriter who has prepared himself thoroughly, passed the required examinations and received the Chartered Life Underwriter Key, has earned a symbol of professional stature. As a highly trained life underwriter he occupies a place of importance and dignity in his community.

Home Life is proud to subscribe to the professional concepts of life underwriting as advanced by the American College of Life Underwriters. Our program of Client Building through "Planned Estates," like the C.L.U. program, encourages the finest principles of sound client relationship.

We are proud, too, of the fact that almost 40 per cent of our Field Underwriters, in their second year and over, are C.L.U.'s or are now studying for the examinations.

HOME LIFE INSURANCE COMPANY

256 Broadway, New York 8, N. Y.

William P. Worthington
President

John H. Evans
Vice Pres. and Mgr. of Agencies



The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

59th Year, No. 33
August 19, 1955

Ohio State Life Offers to Buy Stock of Midland Mutual

Stock Retirement Is Topic of Midland Mutual Meeting Aug. 19

Directors of Ohio State Life at a special meeting Tuesday authorized Frederick E. Jones, company president, to offer \$1,000 a share for the capital stock of Midland Mutual Life.

Only last week Midland Mutual announced that it had taken steps to convert from a stock to a mutual company.

The Ohio State Life offer is contingent upon holders of Midland Mutual stock furnishing proxies to Mr. Jones and Clarence L. Peterson, vice-president and general counsel, representing at least 51% of the stock, before 9 a.m., Aug. 19. The meeting of Midland Mutual stockholders at which the mutualization plan will be considered is scheduled to begin an hour later.

The stock is to be placed in escrow with Ohio National Bank at Columbus, and the Ohio State offer is effective only if proxies are not revoked before or at the special Midland Mutual meeting.

All sorts of reports and rumors concerning the sale and merger of Midland Mutual with Ohio State were in circulation the past few days, and one published newspaper report mentioned Ohio State also was interested in buying control of Columbus Mutual, though officials of the companies would give no credence to this.

Midland Mutual stock has a paid-in value of \$100 a share. Its charter forbids the company to pay its stockholders more than \$200 a share for their stock in converting to a mutual.

Stockholders might individually be willing to sell their stock to the Ohio State Life at the price of \$1,000 a share, it is reported. If the deal goes through, it is understood the company will be known as the Ohio State Life.

Mr. Jones and others are said to have visions of a large Columbus company with insurance in force of more than a billion dollars. Keen competition is said to have inspired the sale and merger proposals. Mr. Jones also heads the Buckeye Union Fire and Casualty companies.

The recent action of the Midland Mutual board, authorizing retirement of capital stock in accordance with the company's articles of incorporation, was the top item on the agenda for the Aug. 19 stockholders' meeting.

When Midland Mutual was incorporated in 1905, Ohio laws did not permit establishment of a purely mutual company. The charter stipulated, however, that the directors could at any time retire capital stock at \$200 per share and make the company entirely mutual. The capital stock of the company was limited to \$300,000 by the charter, and total annual returns to

Expect ALC's 50th Anniversary Rally to Be Biggest Ever

Planning is well under way for the 50th anniversary meeting of American Life Convention, to be held Oct. 10-14 at the Edgewater Beach Hotel, Chicago. Advance registrations indicate a record attendance.

Among the speakers will be the presidents of a midwestern university, a top-flight industrial corporation and a prominent midwestern newspaper. The program also will include addresses by three presidents of member companies.

F. W. Hubbell, president of Equitable Life of Iowa and of ALC, will preside over the general sessions, which are scheduled for the morning of Oct. 12 and all day Oct. 13.

The legal section, of which Willis H. Satterthwaite, Penn Mutual Life, is chairman, will meet the afternoon of Oct. 10 and all day Oct. 11. The agency section will hold its session Oct. 11. Frank L. Barnes, Ohio State Life, is that section's chairman. A luncheon meeting is scheduled Oct. 12 for the combination companies section, a group headed by Frank B. Maher, John Hancock Mutual. Closing the ALC gathering will be a meeting Oct. 14 of the financial section, of which the chairman is J. H. Windsor, Equitable of Iowa.

Guest Speakers Listed for IHOU Annual Meeting

The agenda is shaping up for the annual meeting of Institute of Home Office Underwriters, to be held at the Kentucky Hotel, Louisville, Oct. 26-28. General chairman is C. Edwin Carlson, Continental Assurance.

Among guest speakers will be Dr. Donald E. Yochem, medical director of Ohio Farm Bureau Life; B. M. Anderson, vice-president and counsel of Connecticut General Life, and Reuel C. Stratton, assistant superintendent of engineering and loss control for Travelers.

The presidential address will be given the opening morning by James D. Renn, Peninsular Life. Panel sessions, room hopping periods, and formal papers by institute members make up the balance of the program. It is expected attendance will be about 500.

Insurer Formed at Dallas

Legal Security Life of Dallas has been licensed by the Texas department. The company has placed 25,000 shares of common stock at \$25 per share as a public offering.

George F. Heath, formerly with United Bankers Life and other insurance companies, is president. E. E. Francis is treasurer and actuary. Tom S. Wynn, director of sales and M. G. Seese, chief underwriter.

VA Asks Reversal of Decision in Benefit Assignment Case

The veterans administration has taken the first step toward getting a reversal of the decision against it in the case involving payment of insurance benefits to VA of insured veterans in VA hospitals. A motion has been filed at federal court at Lincoln seeking vacation of the judgment by Judge J. W. Delahant dismissing the VA case or alternatively asking that Judge Delahant grant a new trial.

Early in July, Judge Delahant in U. S. district court held VA may not collect on the insurance policy of a patient-veteran, even if the veteran assigns his policy benefits to VA. The case was United States of America vs St. Paul Mercury Indemnity, and was won by the insurer on all points.

VA sued to recover \$4,300 in connection with a family polio policy issued to Gray Kinner of Minden, Neb. Kinner, a war veteran, was stricken with polio and hospitalized at a VA hospital in Lincoln for nearly a year. He was admitted, according to VA, on the condition of assigning to administration of veterans affairs all claims, demands, awards and courses of action which he might have by reason of any liability of third parties entitling him to hospital care. In this case, the third party was St. Paul-Mercury. The insurer paid Kinner \$981 for expenses incurred for medical services other than those furnished by the VA, and later made subsequent payments. The policy offered Kinner protection "in amount of expenses actually incurred by insured for required medical treatment not to exceed \$5,000."

Judge Delahant, in his opinion, said the controlling section of the U. S. code provided that VA hospital care be furnished to a veteran "who is in need of hospitalization . . . and is unable to defray necessary expenses therefor.

"Short of a determination of fraud justifying the denial of admission or termination of stay . . . the veterans administration has no discretion," Judge Delahant held, to require a veteran to assign the benefits provided in a policy. He noted that the VA was proceeding against the insurer only for reimbursement of services and did not contend that Kinner was liable for payment. He said Congress did not intend to commercialize VA hospitals with the patronage limited to veterans, they are essentially charitable.

C. C. Frazier, former Nebraska commissioner and who now is general counsel for H & A Underwriters Conference, filed a brief of amicus curiae. At the time of decision he said in his

(CONTINUED ON PAGE 20)

Results for First Six Months Given

	1955 New Life Ins. Bus. \$	1954 New Life Ins. Bus. \$	1955 In Force Inc. \$	1954 In Force Inc. \$
Excelsior Life of Canada	24,956,391	22,380,111	15,059,201	13,880,734
Great Southern Life	63,461,930*	50,255,275	41,864,268	27,943,240
Life & Casualty, Tenn.	37,048,286	34,007,769	23,919,000	14,885,811
North American Reassurance	90,309,000**	75,416,000	23,675,400	25,158,500
Security L. & A.	51,501,517	42,079,529	32,884,531	26,711,863

* In addition, increases and revivals amounted to \$10,790,020.

** Reinsurance only.

Harmony Forecast for NALU Annual Rally in St. Louis

Secretary Contest Will Add to Interest but No Major Controversies Loom

With a friendly contest for secretary as the most controversial matter on the agenda, the annual meeting of National Assn. of Life Underwriters being held next week in St. Louis promises to be in decided contrast to last year's gathering at which the bitterly contested question of where to locate national headquarters dominated the meeting even to the post-convention session of the new board of trustees.

There are still those who are strongly opposed to the Washington location choice, which broke the deadlock between the hate-Chicago and hate-New York elements in the board but it is not expected that this sentiment will result in any serious effort to upset the Washington decision. Any hopes for such action suffered a severe setback when Congress recently adjourned without appropriating the money that the government wanted in order to purchase NALU's building site.

What might have been a major matter for discussion, regardless of the possible reopening of the Washington location decision, was eliminated by the Senate-House conference committee's action in deleting the \$300,000 appropriation that was in the Senate version. For if that had gone through, with the concomitant agreement on the government's part to give NALU a different site, the question of the substitute site's desirability would have had to be aired in full.

The secretary contest is between Albert Adams of John Hancock, Philadelphia, and M. W. Peterson, Lincoln National Life, Charlotte, N. C., both of whom are NALU trustees. The order in which they are listed here is entirely alphabetical, for this is a matter on which this newspaper takes no sides.

Up to this point, at least, the secretary contest has been on a friendly and sportsmanlike basis. Both candidates are level-headed gentlemen who have enough on the ball so they can rely on their records of accomplishment rather than on showmanship. But there is always the possibility of a flare-up that would give the lovers of excitement what they are looking for.

N.W. Mutuals Sales Up 7%

Northwestern Mutual Life sales for the first seven months were 7% over the corresponding period last year, totaling nearly \$340 million. July sales exceeded \$48 million, a 4% gain.

July was the third consecutive month the Eckert agency of Detroit led all agencies in sales.

Frensley to United National

Frank W. Frensley Jr., agency vice-president of American Reserve Life of Omaha, has been named executive vice-president of United National Life of Dallas.

Hancock Raises Salary Levels in Home Office, Field

Changes to Be Made on Individual Basis; Progress to Be Faster

Higher salary levels have been announced by John Hancock for the home office and field salary structure for clerical, supervisory and managerial personnel. The changes become effective Sept. 12. They are:

1. Ranges for job grades 1 through 16 have been revised, resulting in higher salary minimums and maximums.

2. Salaries of individuals between the new minimums and maximums will be reviewed and adjustments made to establish equitable salary positions within the new ranges.

3. The current cost-of-living supplement will be included in base salaries, with resultant improvement in company security benefits.

4. A hiring rate of \$39 for inexperienced clerical personnel.

"These changes," said Executive Vice-president Byron K. Elliott, "are in line with our company's policy of paying salaries that reflect an individual's contribution to the job, reasonable relation to other salaries in the John Hancock, and differences in job grades. The new levels, along with existing liberal employee benefits, are more than the equal of those of most other companies."

The company made it clear that this is not an automatic general increase. Salaries will be reviewed immediately by departments to determine specifically what adjustments will be made. Reviews will be strictly on an individual basis. Such factors as position within the new salary range, the job grade level, and performance will affect the adjustment amount.

The range between minimum and maximum in each grade will continue to permit recognition of difference in individual job performance. Movement with the range is not automatic but depends on performance and salary position.

Generally speaking, the rate of salary progress of an individual will tend to be faster in the lower part of the range than in the upper part. The upper part represents salary levels appropriate for superior or advanced performance. With the new ranges, employees who demonstrate superior ability have the opportunity to earn higher salaries.

Making the cost-of-living supplement a part of base salaries has the effect of improving benefits under the company retirement and group insurance plans, since supplementary earnings were formerly excluded in computing these benefits. Higher salary levels will also improve these salary benefits.

Length of service maximums will increase with the raising of regular job grade maximums. These length-of-service maximums for persons with at least 15 years of service are provided so that departments may recognize the meritorious performance of experienced employees.

Under the new program, many of these career employees will become eligible for future increases which they

DESCRIBES PACIFIC MUTUAL PLAN

Well-Trained Agency Managers Called Key to Successful Field Sales Organization

The highly developed training program Pacific Mutual Life agency managers must complete before being assigned a territory was described by Fred Sibley, the company's agency vice-president, before a meeting of Los Angeles Life Managers Assn.

While the agency department's immediate responsibility is to see that each year the company acquires an adequate volume of quality new business, and that it persists, there is a responsibility to the field of equal importance, he stressed. Men must be selected and then trained, and continuously retrained to take over the management of agencies and responsible home office agency department positions. They must be furnished with those programs and materials of a sales and training nature that will help them do a better job in training the men they select to be good salesmen.

Mr. Sibley commented that for years the industry has spent hundreds of thousands of dollars at the home office level actually training agents, attempting to motivate and supervise them while at the same time "completely overlooking the key to any successful field sales organization—properly selected and well trained field management."

The agency manager in the past usually was selected either because he was an outstanding salesman or because he was a pretty good fellow—"but practically a failure as a salesman," Mr. Sibley said. Somehow he eventually became an agency manager after having served an apprenticeship as a field supervisor and possibly an assistant manager, receiving little or no training organized at the home office level. The only training he got was usually of his own making and due to his own hunger for knowledge about his job and his business.

"We believe it is a waste of time for an agency department to attempt direct contact training of agents until all field management personnel are thoroughly trained themselves in what the agents are being taught, and thoroughly trained in the techniques of training, both of an educational nature and of a coaching nature, so that they can do a proper job of follow-through and re-training.

"At Pacific Mutual we, with a general agent, select an agent in his agency to become a supervisor. An outstanding personal producer is never selected. We select men of better than average sales ability, men who have what you might call a 'maternal' instinct in relation to the other men in the agency—a man who derives considerable job satisfaction from helping the other fellow do a better job."

This man is placed directly under the control of the home office management training division, Mr. Sibley said.

would not have otherwise received.

The company believes that its new hiring salary will enable it to continue attracting well qualified people to beginning positions.

Employees in the building maintenance, restaurant, shipping and duplicating departments, who are not affected by changes in the clerical, supervisory and managerial program, will receive an announcement shortly. Their new plan will also be effective Sept. 12.

His general agent is not expected to train him to become a recruiter and trainer of men. The agency department accepts that responsibility. After testing him, thoroughly screening him against rigid requirements, he goes to the home office for intensive management training sessions. He then returns to his agency and takes on the job of recruiting and training a unit of men. After he has successfully done that for 1½ years or two years, he goes back to the home office as a member of the management training division.

In this capacity he participates in the training schools put on for newly appointed supervisors and newly appointed general agents. He goes in to the field to act as field trainer or field coach for newly appointed supervisors, and newly appointed general agents, and he takes on special projects in the home office, such as revision of certain proposal forms. He is training others, the new general agents, in what he himself will be doing some day as a general agent.

While in the home office he gets to know how to use the facilities there to his best advantage when he's a general agent, and the people in the home office get to know him as an individual.

After a couple of years he's assigned a general agency. After a few months in the agency he returns back to the home office with other new general agents who've been out for a year or less; they go through an intensive management training school, then return to their agencies and are field checked twice during their first year by a member of the management training division. If help is needed a man is assigned to the job.

"Training we believe, is our major responsibility," Mr. Sibley said. "We believe this kind of training develops field managers who can select and train career underwriters of the kind who will be important in their communities to the individual clientele they establish. We believe that by doing this we will never be disturbed by the type of competition that several major companies are indulging currently, the type of competition that cannot and will not disturb the close relationship between the career underwriter and his client, that must be established and maintained in our business if the products we sell are to continue to do the job of serving personal financial protection needs that it is designed to serve."

"In this price war there is great danger to the agency system itself. It is a start in the direction of an attempt at direct selling of insurance from the home office level, the same thing that has happened in some instances in the casualty business; a thing entirely unbecoming to us in the life insurance business, but nonetheless dangerous.

"We believe there is no bargain in life insurance when speaking of the policy itself. A buyer gets his own bargain when the insurance he has been helped to purchase by his life insurance man is the right kind of policy, designed to best serve the buyer's personal needs and circumstances. The 'price' will be determined when the policy matures, and only then."

"Pacific Mutual does not intend to compete in the frenzied market place of gimmick policies. Our business will be built and sustained in the communities of our career underwriters."

National Union Loses on Deceptive Advertising Count

Fla. Commissioner Agrees With Charge Made by State Agents Body

TALLAHASSEE—A life company which is domiciled in another state yet advertises itself as a local company violates the Florida law against deceptive and misleading advertising, Commissioner Larson of Florida ruled Wednesday following a hearing Tuesday.

Mr. Larson held a hearing following complaints that were made to him by the Florida Life Underwriters Assn. about National Union Life of Birmingham, Ala., which has its principal office in Miami, and has been advertising itself as a Miami company.

Several other complaints about National Union were made by the state association in a resolution, adopted by the board at Jacksonville. Because of this resolution the company brought suit for \$10 million against the association and four of its officials—Alfred Lewallen and Thomas B. Mc Ginn, both with Mutual Benefit Life at Miami, and E. H. Murphy of Independent Life & Accident, and R. A. Thweatt of Peninsular Life, both of Daytona Beach.

National Union charged its good name had been damaged and it had been held up to ridicule before the insurance commissioners of Florida and Alabama. It charged it also had been libeled before the Federal Securities and Exchange Commission, the state commission and the Miami-Dade County Chamber of Commerce... The state association asked that the company be ordered to set its financial house in order within 30 days or have its authority to do further business suspended.

The company attempted to enjoin Commissioner Larson from holding the Tuesday hearing. However, a circuit judge ruled that the calling of a hearing could not be enjoined, although the company might seek to enjoin the commissioner from putting the resulting ruling into effect.

The moves and counter-moves in this case have aroused interest in life underwriter associations not only in Florida but elsewhere. The controversy typifies the sort of situation into which a state association may feel it should enter and the kind of opposition it may expect when it does so. While the National Assn. of Life Underwriters leaves such matters to the state, the Florida controversy is sure to be a topic of much discussion at the NALU meeting in St. Louis next week.

Pa. Moves Duplicate Policies Bill

Pennsylvania senate has passed and sent to the house a bill requiring life companies to issue duplicate policies to insured on request. Applications for duplicates would include a notarized statement that the original is not in possession because it is lost, misplaced or in the possession of another, including the beneficiary who refuses to deliver it to the owner. A charge may be made for issuing the duplicate.



RALPH O'BRIEN

Ralph "Buckshot" O'Brien was an All-American basketball star in college and played professionally in the National Basketball League for three years.

With no previous sales experience he began selling Franklin exclusives in July 1954. Here's his record of cash earnings since that time:

\$12,047.17



"Over \$1,000 a month in my rookie year"

Indianapolis, Indiana
June 21, 1955

Mr. Francis J. O'Brien
The Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

On July 15 I will be ending my "rookie year" with the Friendly Franklin, and what an unbelievable year it has been! I have had rookie years in basketball since 1942 in high school, college and the National Basketball Association, but this year has been the greatest of them all.

The entire Franklin team is really "tops" as I discovered soon after joining the Company. I have had the best in coaches to help me during the first year. Woody Norris, our General Agent, has been a constant source of inspiration and help at all times as he is to all of his Agents. I have also received a big "assist" from C. R. Willsey, our Regional Manager, and always fine cooperation from the Home Office.

I never seem to be able to find enough hours to contact all the people I would like to see, for everyone is a potential client with the tremendous Franklin Exclusives we have to offer: PPIP, JISP, Home Protector and GLA. I have sold only these Franklin Specials during the past year and my shooting percentage has been approximately 70% in sales completed. I still can't believe that I am earning well in excess of \$1,000 a month. Coupled with the above handsome financial return is the importance to me of enjoying every minute with each client and the feeling of having done these same clients a real service.

Thanks, O'B for allowing me to share this first year review with you for I feel that I have found a lifetime "position" on the greatest life insurance "Team" of them all, The Franklin Life Insurance Company, and I am eagerly looking forward to continued success in each coming year.

Sincerely,

(Signed) Ralph "Buckshot" O'Brien



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans

Over One Billion Eight Hundred Million Dollars of Insurance in Force

Life
A & H
Group
Franchise
Hospitalization
Brokerage
Reinsurance

life insurance in force exceeds
\$790,000,000.00

PLUS: One of the most advanced agents training programs in the nation... Supervised offices... Trained Group men to assist agents... An alert Underwriting and home office staff... Top commissions.

REPUBLIC NATIONAL LIFE INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas

If Aladdin were a field underwriter, could he wish for MORE!

1. A fast growing, progressive company.
2. A definite plan for advancement.
3. A new and modern contract.
4. A liberal financing plan.
5. A bonus of \$1.50 per thousand on paid business for NQA winners.
6. A bonus of \$550.00 for receiving C. L. U. designation.

Write G. Frank Clement,
Vice President in Charge of Agencies



Shenandoah Life
INSURANCE COMPANY, INC.
Roanoke 10, Virginia
Paul C. Buford, President

National Insurance Assn. Chooses Walker President

A. Maceo Walker, president of Universal Life of Memphis, moved up to president of National Insurance Assn. at its annual meeting at Cleveland. He succeeds C. L. Townes Sr., Virginia Mutual Benefit Life.

James A. Faison, Provident Home Life of Philadelphia, was named 1st vice-president and W. A. Clement, North Carolina Mutual, was reelected secretary.

Elected vice-presidents of the various sections were J. W. Goodloe, North Carolina Mutual Life, executive; C. E. Simmons, Afro American Life of Florida, technicians; Octave Lily Jr., Peoples Life of New Orleans, agency, and Dr. Lester Allen, Winston Mutual Life of North Carolina, medical.

Murray J. Marvin Jr., who is in charge of the association's headquarters office at Chicago, continues as executive director, beginning his fifth term.

There were 578 delegates at the convention, the first held by the association independently of member companies. At previous meetings the companies in the host city acted as sponsors. One of the highlights was a past presidents banquet at which 18 of the 26 former association leaders were present.

It was decided to repeat in an expanded form the agency management school which ran for two weeks at Tennessee A. & I. The school was described as an exceptional success, and certificates of appreciation were presented to C. J. Zimmerman, managing director of LIAMA, who cooperated in formulating the course text, as well as to the university and five member companies whose executives served as instructors.

Next year's convention will be held at the Statler Hotel, Washington, Aug. 28-31. The executive section at its session decided to conduct a series of regional meetings during the coming year, and plans were made to hold them in at least six different cities.

Among featured speakers were C. F. Honeywell, administrator, business and defense services administration, Department of Commerce, Washington; C. H. Mahoney, U. S. delegate to the United Nations; J. M. Hinton, agency director of Pilgrim H. & L.; G. W. Jones, agency director of Victory Mutual Life, and Messrs. Goodloe and Zimmerman.

N. W. Mutual Advances Trumpf

Wayne S. Trumpf has been appointed assistant manager of city loans for Northwestern Mutual Life. He joined the company in 1951.

Assets of U. S. Life Companies Rise \$2.9 Billion in First Half

Assets of all U. S. life companies increased \$2 billion during the first six months, bringing total assets on June 30 to \$86,967,000,000, according to Institute of Life Insurance.

"The flow of capital funds for financing a cross section of the nation's economy has increased materially as the number of policyholders has increased and their ownership of life insurance has risen," Holgar J. Johnson, institute president, said. "The new capital made available in the first half of this year was about 40% larger than five years ago, which is not much different from the ratio of increase in aggregate life insurance in force."

Adding funds made available from maturities, amortization, refinancing and sales, the life companies made aggregate new investments of \$9,019,000,000 in the first half of this year, increase \$1,034,000,000.

Real estate mortgages accounted for the largest single block of new investments made this year, with \$3,102,000 acquired. Mortgage holdings of life companies increased \$1,555,000,000 to \$27,483,000,000 on June 30.

Corporate securities accounted for \$2,310,000,000 of the six-month new investments. Holdings of these securities increased \$973 million to \$37,830,000,000 on June 30.

North American Names Boostrom, Fox Directors

Miss Hazel E. Boostrom, secretary, and Robert Rauwolf, agency vice-president, have been elected directors of North American Accident of Chicago, succeeding A. E. Forrest Jr., and Paul G. Warren.

J. L. Fox, of the law firm, Brown, Fox, Blumberg & Markheim, was elected chairman.

Travelers Names Janney to Group Pension Post

Charles T. Janney, district group supervisor of Travelers at Seattle since 1949, has been appointed district supervisor of group pensions at San Francisco. He will be pension representative for the west coast and be in charge of all phases of pension programming.

Mr. Janney joined the group department at the home office in 1934, later serving as group field representative in Hartford, Chicago and San Francisco. He joined the agency department as group supervisor at San Francisco in 1942, and later was advanced to assistant district group supervisor.

Announcing LARGEST CONVENTION CENTER IN CALIFORNIA! Available Oct. 1, 1955

Complete New Facilities for Most Exacting Convention Requirements Accommodating up to 2500 Plus all the Advantages that make the Ambassador one of the World's Great Hotels. Phone, Wire or Write Today!

Singles from \$9
Doubles from \$12

A LOS ANGELES
AMBASSADOR

Air-Conditioned Rooms • Garden Studio Suites • TV in Every Room Sun Club & Pool • Airport Buses
Home of World-Famous COCONUT GROVE



Argue Pros and Cons of Welfare Fund Regulation—What, Why and By Whom

A report on the hearings and panel discussion on welfare and pension plans has been released by the Senate subcommittee which conducted the hearings.

Sen. Douglas, head of the subcommittee, said that in view of the growth and importance of employee benefit plans, there is need for federal legislation to safeguard interests of beneficiaries and prevent breaches of trust and exploitation. A widely supported proposal, he said, would require such plans to disclose the essential facts of operation to government agency and to participating employers and employees.

C. Manton Eddy, vice-president and secretary of Connecticut General Life, and Frank B. Clife, vice-president of H. J. Heinz Co., said that while the report might give the impression that a third or a half of the welfare plans in operation today are in pretty bad shape, the abuses disclosed by the investigation are not characteristic of insured welfare programs. The abuses which have been found are in contrast to the ethical standards which prevail in the establishment and administration of most funds.

Several panelists criticized the report and the subcommittee because there was no criteria for its appraisal of the quality of administration of the 29 plans it studied. Nelson Cruikshank, director of social security activities of AFL, said, "We do not believe it is wise to make such flat value judgments, unless it is made clear exactly what standards of value are used. It is, in fact, not possible to apply any uniform set of standards governing such matters as administration cost and reserves to all of the different types of plans and situations that exist." Jack Barbash of the committee on ethical practices of CIO also criticized this feature.

Martin E. Segal, New York City insurance consultant, believes that because the committee's staff was somewhat inexperienced in many of the technical ramifications of welfare funds it made some unsound recommendations. For example, he said, the subcommittee grouped packaging of insurance and the separation of coverages for dividend purposes under the same heading and recommended packaging as in the best interest of welfare fund beneficiaries. These are two entirely different matters, Mr. Segal pointed out, and while insurers like to pool life and casualty insurance in calculating dividends in order to have as broad a base for their risks as possible, he, as a consultant, does not recommend to trustees of welfare funds that packaging for experience rating be allowed. He thinks it simply allows an insurer to make up losses under one type of coverage by dipping into the favorable experience of another. "The pooling of policies for experience and dividend purposes should in no way affect the general recommendations of the pooling of policies for commission purposes," he said. The latter type of pooling is definitely desirable, he said.

The group concluded that section 302 of the labor management relations act of 1947, which regulates welfare funds, is an inadequate safeguard. The intent of the act was to prohibit unilateral control by unions of welfare funds, when financed in whole or in part by

employers, but the mere fact that employers were placed on joint welfare plan boards did not prevent them from abdicating their responsibilities in many cases. Also, the provision for joint control has not prevented the funds from being diverted to selfish, individual ends.

Mr. Barbash asserted that the real problem is not whether a fund is jointly or unilaterally controlled, but

whether it is honestly administered. Joint administration is not the complete answer to honesty, he said, and the problem of joint control should be resolved by the parties involved through collective bargaining.

"If you are going to say that unions cannot administer a fund unilaterally, you also ought to say that employers cannot administer a fund unilaterally, because otherwise the inference that you have to draw is that one section of our population is inherently more susceptible to chicanery and dishonesty than any other section," he said.

Joint control assures precisely nothing with respect to the honesty with which these funds are administered, Mr. Barbash said, and, he continued, "Section 302 as a part of the Taft-Hartley law, I think, should be abandoned. The Taft-Hartley law is a serious mistake to attempt to regulate under one heading labor relation, subversive activities, health and welfare funds."

Mr. Cruikshank concurred in the view that if there is federal legislation there should be a separate comprehensive

(CONTINUED ON PAGE 15)



During our 75th Anniversary celebration this August, we dedicate a new, spacious home office building. Minnesota Mutual, today, approaching one and a half billion dollars of life insurance in force, is one of the 25 largest mutual companies in the country. The "Star of the North" is a company with definite personality, positive character and an enviable history in the industry.



THE AGENT-MINDED...

**Minnesota Mutual Life
Insurance Company**
ST. PAUL, MINNESOTA

OUR NEW "705" CAN'T WRITE BUSINESS

We recently ordered one of IBM's new Type 705 "electronic brains".

The machine is fantastic. It does all sorts of mathematical gymnastics at lightning speeds, and it has a "memory" unit in which data may be stored to produce other data.

But it can't write business. That detail will still be handled by our Type 1955 force of Shield Men who this year will surpass all their own brilliant past records for growth.



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**NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY**
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MEDICAL CLAIMS EVALUATION SERVICE

Specializing in Evaluation of APPLICATIONS

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**Professional Independent
Guidance for Evaluating
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PRE-EXISTING CONDITIONS

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Write
P. O. Box 211
Dayton, Ohio

Women's Progress NALU Panel Topic

NEW YORK—Seven prominent life insurance personalities will participate in a panel discussion at the Aug. 24 women underwriters' luncheon, at the St. Louis convention of National Assn. of Life Underwriters next week.

Arrangements were made by Laura Benham, chairman of the committee of women underwriters and a Niagara Falls, N.Y., representative of Prudential.

Moderating the panel will be Henry Stout, John Hancock general agent and mayor of Dayton, O. Each participant will discuss the woman underwriter's progress in one specific field. Participants and their discussion fields are:

Dr. Davis W. Gregg, president of American College, the CLU; Benjamin N. Woodson, president of American General Life, life underwriting training course; Thomas E. Lovejoy, president of Manhattan Life, managers; Dudley Dowell, executive vice-president of New York Life, Women's Quarter Million Dollar Round Table and Million Dollar Round Table; Charles J. Zimmerman, managing director of LIAMA, NALU's national quality award; Hal L. Nutt, director of Purdue University's life insurance marketing institute, the institute; and Robert L. Walker, Peninsular Life, Orlando, president of NALU, who will discuss NALU.

This meeting marks the 21st year of the women underwriters committee. In observance of this, the luncheon's closing event will be a presentation, "Coming of Age", highlighting women agents' records of achievement.

An addition to the Wednesday general session is David Walker, national co-winner in 1955 of the "Voice of Democracy" essay contest. A 17-year-old graduate of Oskaloosa, Ia., high school, where he was president of both the student body and his senior class, he will appear at the convention through the courtesy of Phillips Petroleum Co.

The voice of democracy contest is an annual competition among high school students throughout the nation. More than 1½ million students competed in this year's contest. It is sponsored by National Junior Chamber of Commerce with the cooperation of National Assn. of Radio & Television Broadcasters and Radio Electronics Television Assn. The contest topic, and the subject of Mr. Walker's speech is, "I Speak for Democracy."

Monumental Life Expands Policy Line

Monumental Life has introduced a 30-year mortgage decreasing term policy and has reduced all its premium rates on the 15, 20 and 25 year mortgage policies already in its rate book. In addition, it is offering the same 15, 20, 25, and 30-year decreasing term coverages in the form of mortgage protection riders which may be added to life or endowment policies with a very liberal ratio of rider to base policy.

It has also introduced family income riders providing monthly income of \$20 and \$30 per \$1,000 of insurance in addition to the \$100 per \$1,000 family income rider now in the rate book.

Franklin Shows 16.8% Sales Gain

Franklin Life's paid sales in July, excluding annuities, totaled \$35,049,642, a 16.8% gain over the same month last year. Paid business for the first seven months is up 16.6%.

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August 19, 1955

LIFE INSURANCE EDITION

7

Executive Defends Role of N. Y. Law In Restraining Acquisition Expenses

A senior executive of one of the leading companies has written to THE NATIONAL UNDERWRITER expressing disagreement with the editorial in the July 15 issue, "Chance to Ease New York's Curbs." Since it was a personal letter to the editor and was not intended for publication, the writer's name is not revealed but THE NATIONAL UNDERWRITER is printing it, almost in full, because it so well expresses the case for the New York state restrictions.

In your editorial you referred to recent resolutions passed by the Massachusetts and Connecticut legislatures which, as you say, apparently were union-inspired. You then suggest that the same effort "to enlighten the legislators" should be extended to the ordinary branch of our business. Having no intimate knowledge of the industrial branch of our business, I do not feel competent to discuss the matter of compensation to industrial agents so I shall confine my comments entirely to the compensation of ordinary agents.

When you suggest, as you do, that the compensation of ordinary agents should be released from legislative curbs, I naturally wonder for whom you are speaking. So far as I know, these Connecticut and Massachusetts resolutions were endorsed by neither the LIA nor the NALU. I would seriously question whether any great number of the companies licensed to do business in New York state nor of the agents who represent them would agree with you.

There is no need to defend the New York insurance statutes and the rigorous and careful supervision this code provides. It seems to me that the record of the companies that have been licensed to do business in New York state is rather eloquent testimony to the basic soundness of the code as a whole. In some minor directions we are occasionally annoyed or frustrated by the operations of the law and when that happens we make our position known with the hope of having the law changed or amended. We still believe, however, that expense limitations, including a limitation on commissions, is a proper function and responsibility of the state and we make every effort to live within the spirit and intent of these limitations.

Personally I think the best arguments we can advance in behalf of state supervision as opposed to federal supervision is to be found in the supervision exercised by the New York state insurance department in accordance with the laws relating to the operations of life insurance companies. If we ever do get federal regulation, a significant contributing factor will be the failure of other state jurisdictions to do a somewhat comparable job.

Whatever may be the source of the criticisms and complaints which underlie your editorial, there are some of us who feel very deeply that the state of New York deserves great credit for the present high regard for and acceptance of our strong and vital life insurance business. I may have a few comments to add in this connection a bit later.

Now to be a bit more specific. In this editorial there are several rather categorical statements based on opinion certainly and not on fact which I

seriously question. You say that "the compensation of agents should be left to the operation of economic law." I wonder just what economic law you are referring to and I do wish you would please tell me just how it applies to life insurance. Perhaps you have in mind the basic law of free enterprise in a competitive system which we refer to as the law of supply and demand.

It seems to me that the life insurance business is quite different from other types of business which engage in the market place. The compensation of the salesman of automobiles and refrigerators can perhaps be left to the operation of this basic law because the results of any unsound operations or practices have an almost immediate effect. The manufacturer or the dealer knows at the end of the year just how he stands. The difference in so far as the life insurance business is concerned is that our product is a long-term contract and it is not possible at the end

of the year to determine in all respects just how we stand.

What we do know is that the decisions we make today will have an effect on the treatment of a policyholder or a beneficiary possibly 50 or 75 years from now. It seems to me that this is one of the great advantages of state supervision for it serves to protect the interests of policyholders against unsound practices which may not be apparent for many years to come. We must remember that the mistakes that management makes today,

(CONTINUED ON PAGE 16)



MARKET WISE... MARKET READY

Here is one of Great-West Life's field-proven aids to organized selling—the Sales Guide to Business Life Insurance. This practical and comprehensive approach to Business Life Insurance planning is effectively assisting the sales efforts of Great-West Life's representatives.

The Sales Guide to Business Life Insurance and its related material is part of the extensive range of specialized sales tools provided by the Company for the profit and support of its field force.

**THE
GREAT-WEST LIFE
ASSURANCE COMPANY**

HEAD OFFICE - WINNIPEG, CANADA

Gold Won't Approve Present A&H Forms

North Carolina's Commissioner Gold has notified all companies writing A&H in the state that he will no longer approve A&H forms which do not contain a new cancellation provision without a good and valid reason being shown by the company. The 1955 law, effective Jan. 1, requires that the forms contain a cancellation provision for a period of notice ranging from 30 days to two years, depending on the longevity of the policy. The commis-

sioner said that approval of the present forms could be given for only five months or less and would necessitate revision of forms before Jan. 1.

So far, he said, no forms containing the provision have been submitted for approval although many forms have been submitted under the requirements of the present law.

The staff of the insurance department cannot possibly approve all the new forms which will be necessary after Jan. 1 within a few weeks or even a few months. The original effective date of the bill was July 1, 1955, but it

was extended to Jan. 1, to allow companies to submit forms sufficiently in advance of the effective date to be properly reviewed, Gold said. Because of the expected volume of policies to be approved for use after Jan. 1, the department will not be able to guarantee review and approval or disapproval of any form received later than Oct. 15 in time for use on Jan. 1.

He promised he would give consideration to giving interim approval to forms which will become obsolete Jan. 1 if the company shows a good and valid reason.

3 Lawyers Join Kan. Department

The Kansas department has appointed three law graduates of Washburn College at Topeka, Kan., to its staff.

They are Eberle Baldwin of San Diego, who was outstanding senior of 1955; Donald L. Dean of Manhattan, Kan., and Joseph Peel of Pittsburgh, Kan.

Clay Joins Occidental, Cal.

Occidental Life of California has named Horace B. Clay brokerage manager at Richmond, Va. He formerly was an agent there for Massachusetts Mutual Life.

Pilot Life Names 3 Assistant V-Ps

Pilot Life has appointed three assistant vice-presidents, W. A. Gerald, agency supervisor since 1946 and with the company since 1944; N. J. Helms, agency supervisor in the combination division since 1953; and C. R. Wesselhoff, also a former agency supervisor in the combination division.

Mr. Helms joined the company in 1936 and was agent, superintendent and manager of several of the largest district offices before being made agency supervisor. Mr. Wesselhoff also joined the company in 1936 and subsequently became assistant manager and manager of High Point district, and agency supervisor during second world war.

CLU Courses Set at Chicago

Chicago CLU chapter is offering a program of review courses for life agents and managers beginning Sept. 26 at DePaul University's college of commerce at the university's downtown center, with registration Sept. 22-23 at the downtown center. The courses are offered to assist life men in preparing for the CLU examinations to be held next June.

try this hat for size!

That's what it boils down to when a new man joins the Capitol Life. Contracting with a new company is much the same as buying a new hat. You want your hat to fit well...to wear longer...and to fully meet your personal needs. That's why we at the Capitol Life have placed a lot of emphasis on our Agent Contracts.

Our objective was to develop contracts that fully meet the needs of each new man in terms of his experience, qualifications, and personal requirements...to develop contracts that not only "fit well and wear longer" but ones that will meet the real human needs of the Agent. We're proud to say we've reached our objective. You can find proof of this in the fact that more and more men are joining the Capitol Life each month. More and more men are finding out they can finally get many of the things they have a right to expect from the insurance business...with one of the West's fastest growing regional companies.

We think you'll like our philosophy of "finding the hat that fits." Capitol men do. Just ask any Capitol Life representative.

Agency and field underwriting opportunities available to men residing in the 14 Western States.



Capitol Life
INSURANCE COMPANY
DENVER, COLORADO

WRITE: Thomas F. Daly II, Vice President and Director of Agencies.

FIRST IS STILL BEST!

First major company to issue a straight reducing Term policy without requiring its attachment to a chassis policy was Occidental with its Income Protection plan. That was in 1948.

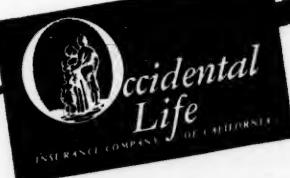
When a buyer needs decreasing Term, our Income Protection plan is *still* first because it gives not just one, but *all* of these features:

Written for *any* income period of 10 up to 50 years—as an independent policy or a rider on 'most any other plan—payable as income, as a lump sum, or under standard settlement options—convertible to insurance age 65—issued substandard to Table F—available with Double Indemnity and Income Disability.

This spells "best" in any language.

"A Star in the West..."*

HOME OFFICE • Los Angeles
W. B. STANNARD, Vice President



"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO!"

August 19, 1955

LIFE INSURANCE EDITION

9

Life Companies in U.S. Total 1,060

The number of life companies in the U.S. has increased by 183 in the past 12 months, bringing the total at midyear to 1,060, according to an Institute of Life Insurance survey based on reports from state insurance departments. In exceeding the 1,000 mark, the number of life companies is more than double that at the end of the second war.

There is now at least one company in every state in the country. Largest state total is for Texas where 364 companies were doing business June 30. The next states in order are: Louisiana, 86; Alabama, 36; Illinois, 35; Indiana, 34; South Carolina, 34. There are 10 or more companies in 29 states and the District of Columbia.

Southern and western companies numbered 791, almost three times the number in 1945. The greatest rate of gain in life insurance ownership in the past 10 years has been in the 28 states of the south and west and the younger companies have shown a greater percentage gain than the older companies.

At midyear, there were 249 main-office cities, housing one or more life company home offices. Of these, 24 had ten or more company home offices. Dallas led with 133 companies. Other leading cities were: Houston, 70; Fort Worth, 41; New Orleans, 34; Chicago, 26; Philadelphia, 25; Indianapolis, 22; Phoenix 22.

The midyear list of companies shows 50 with more than \$1 billion of life in force and eight of these \$1 billion companies are less than 30 years old. Five years ago, there were only 30 life companies with more than \$1 billion of insurance in force and ten years ago only 22.

In the past ten years the number of policyholders in the U.S. has increased by more than 23 million and the aggregate insurance in force by \$200 billion.

There are 16 companies over 100 years old and 31 are over 75 years old.

Wilson Named Executive V-P

W. W. Wilson, since 1953 with United American Life of Denver as vice-president and actuary, has been advanced to executive vice-president. He was formerly vice-president and actuary of Atlas Life of Tulsa.

has been made to set a thrift pattern of modest sized policies for children and give them a base of paid-up protection as they reach maturity, the institute said. A recent survey of ordinary life sales showed 57% of the juvenile policies sold were on the limited payment plan, which would give a paid-up policy after a limited period.

Rowden to Lincoln National

Joseph H. Rowden has been named personnel director of Lincoln National Life. He has had six years' experience in life insurance company personnel work.

\$5 Billion Juvenile Sales Set Record

A record \$5 billion of new life insurance was sold in 1954 on the lives of children under age 15, representing 16% of all ordinary and industrial sales in the year, according to Institute of Life Insurance.

At the start of 1955, the aggregate juvenile life insurance in force had reached \$21.4 billion which was more than twice the total owned 10 years ago.

A large part of recent juvenile sales

DO YOU HAVE A CLIENT WHO NEEDS

\$100,000

MORE LIFE INSURANCE?

(But thinks he can't afford it)

Just show him our non-participating Guaranteed Cost Annual renewable term.

For \$100,000

Age	Annual Premium
30	\$ 629
35	691
40	829
45	1,065

Also, non-participating Selected Risk Ordinary Life.

For \$100,000

Age of Issue	Annual Premium
30	\$1,705
35	2,020
40	2,441
45	2,987



A simple and complete Selected Risk Ordinary Life sales folder with rates, cash values, and a triple-duty sales track and proposal can be yours for the asking.

These policies are a special addition to our complete line of participating life plans.

"Providing sound coverage at reasonable cost through competent representatives"

**Bankers NATIONAL LIFE
Insurance Company**

Interested? We'll be glad to send you complete information and sales material. Just fill in coupon.

GENERAL AGENCY INQUIRIES INVITED

Please send me your sales material on Non-participating policies. No obligation.

Name _____

Address _____

City _____ State _____

THE ECONOMIZER



the plan to fit the man-with-a family

Bankers Life of Nebraska offers the "Economizer," a plan which is designed to give a man maximum protection during the years of maximum family responsibility.

PLUS a guaranteed monthly income to his family until twenty years from the date of policy issue in event of his death—

PLUS a cash payment after the expiration of the guaranteed monthly income—

PLUS a cash payment in event of his death after twenty years—

PLUS high cash values at retirement age, with a choice of options for payment—

This excellent policy, another of Bankers Life of Nebraska's leading policy plans, is a complete program in itself, designed to fit the man—with a family.

SINCE 1887 **Bankers Life**
INSURANCE COMPANY of Nebraska
HOME OFFICE LINCOLN



**the KEYSTONES of
HEALTHY PROGRESS**

**are our
STEPPING
STONES**

\$159,000,000 Insurance in Force

**Attractive Opportunities for Agents
in 11 Western and Midwestern States.**

For Complete Details
Write To
R. D. CANNELL
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Life Insurance Co.**
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LINCOLN, NEBRASKA

Ask Us About UNITED OF OMAHA'S

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SAVINGS PLAN

National magazines are carrying to more than 15 million American homes, the vital message "YOUR MONEY CAN DO TWO JOBS TOO." It's the story of United of Omaha's revolutionary new "20-20" plan, that helped break all records with the largest single day's business in the company's history . . . and helped make 1954 United's greatest year, by far!

The "20-20" plan can do TWO jobs for you, TOO!

Introduce you to more people . . .

Increase your earnings for 1955.

Send the coupon by Air Mail,
TODAY! You'll be glad you did.



UNITED BENEFIT LIFE
INSURANCE CO.

More than a billion dollars
life insurance in force.

HOME OFFICE: Omaha, Nebraska
CANADIAN OFFICE: Toronto

MAIL COUPON TODAY!

AGENCY DEPT.,
UNITED OF OMAHA
Omaha, Nebraska

Please rush full information about your 20-20 plan.
Tell me all about your LIFETIME CAREER CONTRACT,
selling for United of Omaha.

Name.....
Street.....
Town and State.....
Telephone Number.....

Dept. NU

Family Income Type of Contracts Gain, Institute Reports

Many changes have developed in the past five years in the distribution of ownership of the various life insurance policy plans, with increased emphasis being put on contracts providing specific family income, the Institute of Life Insurance reports.

Life insurance especially designed for family financial planning appears to have nearly doubled in the past four years, while that under the basic types of policies such as straight life, limited payment life and endowment insurance have increased by about 20%. The latter, however, still account for more than half of all life insurance outstanding.

These trends are shown in an analysis made by the institute covering all life insurance in force at the start of this year in the United States, compared with a similar study made in 1950.

The straight life, limited payment life and endowment policies have all shown decreases in the proportion of total amount of insurance in force and the proportion of total number of policies in force. In the case of endowment policies, there was an actual decline in the four years in the number of policies outstanding, but their larger average size resulted in an 8% increase in the amount in force.

These three plans, however, accounted for \$174.8 billion of the outstanding life insurance at the start of this year, up \$28.8 billion in four years.

Group life insurance, exclusive of credit life insurance, totaled \$86.4 billion.

The individual term insurance, exclusive of credit life insurance, amounted to slightly over \$13 billion or about 4% of total life insurance.

Credit life insurance has shown the greatest percentage gain, having increased 2½ times in the past four years and now totaling \$10.2 billion.

Family income and other combination policies, made up of additional term insurance attached to some basic unit of permanent insurance, have nearly doubled in the four years, both as to number and amount. There are now 5.6 million policies of this type in force, for an aggregate protection of \$31.9 billion, compared with about 3 million policies for \$17 billion four years ago.

Limited payment policies numbered 85.6 million and accounted for the largest number of policies outstanding, about one-third of the aggregate. A large part of the limited payment policies were industrial. About two-thirds of the industrial policies are on this plan. As limited payment policies were of relatively small average size, they represented a smaller aggregate amount of insurance than either straight life or term protection.

Straight life accounted for \$76.5 billion or 23% of total insurance outstanding and endowment insurance totaled \$30.7 billion or 9% of the total.

About 2 million retirement income policies are now in force, representing \$11.2 billion of insurance and potential retirement income of over \$1 billion annually, about one-fourth more than four years ago.

Sun Life Issuing New Policy

Sun Life of Maryland is now issuing a life paid up at 85, \$10,000 minimum policy, which will be issued on both standard and sub-standard.



Quality

in Pacific Mutual's FIELD LEADERSHIP

is pin-pointed by Maurice F. Bradley (Merced, California) as the motivating factor in his 13-year achievement of top rank in the Big Tree Leaders Club, his 9-year attainment of the National Quality Award, and his placing of more than ten million dollars of protection since the start of his career. Says Bradley, "Quality leadership, constantly supplied by my General Agent, Charlton Standford, has kept me continuously on the track."

Quality is the dominant objective in all Pacific Mutual field procedures.

Pacific Mutual

LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIF.



LIFE Since 1868 • ACCIDENT Since 1885

SICKNESS Since 1904 • RETIREMENT PLANS Since 1919

GROUP INSURANCE Since 1941



BANK LOANS ON VESTED RENEWALS

THREE OR FOUR
YEAR REPAYMENT

UNDERWRITERS CREDIT & GUARANTY CORPORATION

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

Holmes Calls NAIC**Central Office****Unnecessary, Expensive**

Commissioner Holmes of Montana has called the central office of National Assn. of Insurance Commissioners "unnecessary, too expensive and showing no signs of returning to normalcy."

The commissioner made the statement in a letter to Commissioner Navarre of Michigan, chairman of NAIC executive committee, in response to a letter by Mr. Navarre requesting contributions for "maintaining and operating NAIC and the central office."

Mr. Holmes alluded to the setting-up of a central office at Chicago several years ago and said NAIC "lost its senses when it threw out the common sense set-up that then existed." At that time NAIC business was handled by the association secretary, who was elected from NAIC members.

"Michigan may have need of the reports issued in duplicate from Chicago," Mr. Holmes said, "but I am sure Montana can struggle along trying to administer the laws passed by the Montana legislature, and receiving no help—nor could any help be given—from this bureaucracy created on the banks of Lake Michigan by the political lawyers acting as insurance commissioners."

"If the NAIC has any reason for existence," Mr. Holmes said, "it should have the companies it proposes to regulate look to its organization with respect. By precept and example, it should put its foot down on unnecessary expenses. The examination of companies has now gotten away from the control and jurisdiction of the commissioners and has become a serious expense to the companies, not giving value in proportion to cost and passing on to policyholders extra cost that they should not be saddled with."

Ellis to West Coast Life
in Sales Promotion Post

West Coast Life has appointed William C. Ellis director of sales promotion and advertising.

Mr. Ellis formerly was director of sales service for American Mutual Life of Iowa, a company he joined in 1942. He also operated his own advertising service in Des Moines where he at one time was associated with the Des Moines Register & Tribune and Look magazine. His work has won 17 awards of excellence in the annual awards competition of Life Advertisers Assn.



William C. Ellis

North American Life of Chicago has named James O. Gould manager at Pontiac, Mich.

Since entering insurance in 1946 he has served with Franklin Life and Wisconsin National Life, and has had experience as a general agent.

Mo. Department Salaries Up

Substantial increases in salaries of Missouri department personnel will become effective Aug. 29 when legislation enacted by the state legislature becomes law.

Under provisions of the law, the salary of Superintendent Leggett is raised from \$7,000 to \$10,000 annually; those of the deputy superintendent, chief examiner and actuary from \$6,000

to \$8,000; chief clerk from \$4,500 to \$5,000, and clerks from \$3,000 to \$3,600. The law also provides that administrative assistants are not to be paid more than \$3,600 a year.

Potts Advanced, Randall Joins Wisconsin Casualty

Wisconsin Casualty Assn. has promoted Dale B. Potts from vice-president to executive vice-president and has named Loane J. Randall secretary.

Mr. Potts, who last year was president of A&H Underwriters Assn. of Milwaukee, was with Occidental Life of California before joining Wisconsin Casualty.

Mr. Randall formerly was executive vice-president of St. Paul Hospital & Casualty.

Bankers, Neb., to Have Wyo. Rally

Bankers Life of Nebraska will hold its 1956 convention at Jackson Lake Lodge a fabulous new resort hotel in Wyoming. The meeting is scheduled for June 20-24.

The "Kids' Convention" will be held at the same lodge, concurrently with the regular convention. Children attending will be feted with their own private convention in the lodge, away from their parents.

Life Companies' Loans on Real Estate up 35%

U. S. life companies loaned a record \$3,102,000,000 on real estate mortgages in the first six months, an increase of \$808 million or 35%, according to Institute of Life Insurance.

Most companies already are so committed for sufficient additional mortgage financing for the balance of the year that it is possible the \$6 billion aggregate of mortgage acquisitions will be passed for the year as a whole, the institute said. Total mortgage investment of the life companies on June 30 was \$27,483,000,000, up \$21 billion since the end of the second war.

Great-West Life Names Three

Great-West Life has named N. L. Corfield supervisor for its Victoria branch in the up-island districts of Vancouver Island, and also has named as group representatives W. H. Knox in British Columbia and Richard J. Miller at Minneapolis.

Mr. Corfield joined the company as an agent at Nanaimo, B. C. Mr. Knox formerly was in public relations work and Mr. Miller was a company agent at Minneapolis.

Realty Investments Total \$2,420,000,000

Total real estate investment of all U. S. life companies rose to \$2,420,000,000 during the first six months, increase \$145 million since Jan. 1, according to Institute of Life Insurance.

Realty acquired in the first half was valued at \$152 million. The largest block was commercial and industrial rental properties which totaled \$115 million and brought total holdings of this type to \$1,392,000,000. Holdings in other classifications on June 30 totaled: company used, \$549 million; rental housing, \$456 million; farm, \$9 million; and other, \$14 million.

Pru Expands Training Operations

Prudential has expanded its field training operations by advancing K. S. Hawkinson, J. T. Gibney, D. M. Wilcox, and Weymouth Fogelberg from field training men to senior training consultants.

The following staff managers have been brought in to serve in Illinois training posts in Rockford, Jefferson Park, Galesburg and Quincy respectively. They are M. D. Vinecore, G. C. Guthaus, Arthur L. Gayman, and D. C. Davis.

LIFE WITH
PROVIDENT

XK 38*

* GAINED 9 PLACES IN NATIONAL RANKING
IN LIFE INSURANCE IN FORCE DURING 1954

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga - Since 1887



LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

EDITORIAL COMMENT

Finding Out What the Trade Papers Want

Massachusetts Mutual Life recently sent to the insurance publications a detailed questionnaire asking them about deadlines, use of pictures, and the type of news desired from the company.

This seems like a sound idea for any company that wants to make the most effective use of its publicity dollars, yet in 25 years of handling life insurance news we don't recall any other company sending us such a questionnaire—certainly not one with the array of specific questions that Massachusetts Mutual's contained.

The news policy of a paper might be thought, offhand, to be readily deduced from reading it. In general, that is true, but when you consider that the National Assn. of Life Underwriters has a trade-journal list of 53 papers that it sends releases to, it is obvious that it is quite a job to keep track of the papers' requirements by just reading them.

And even reading the trade papers is not always a sure guide, particularly if a publicity department is on the enterprising side and would like to try out something a little out of the ordinary. Which papers will use such material and which won't? Asking the editor is a good way to find out, though not

infallible, for an editor has been defined as a man who knows exactly what he wants but isn't quite sure. Yet a company will certainly get a better idea of a paper's requirements by asking than by not asking.

The Massachusetts Mutual questionnaire reminded us how seldom companies send out releases based on utterances of their top executives on hot insurance topics of the moment. Not the talks made at company conventions or other insurance gatherings but just opinions voiced for the very good reason that here is an important topic that deserves discussion in the insurance press.

So little of this is done that certainly the first to try it would have a clear field. There could eventually be an embarrassment of riches for the trade papers. But even so, no editor could afford to ignore a well written observation on a timely subject.

Perhaps some executives might feel reluctant to "stick their necks out." Yet if they did, we predict that the consequences would be far less terrifying than is generally assumed. Like making a speech, it seems a matter for trepidation at first, but in time familiarity with the role takes away most, if not all, of the misgivings.

with his wife. His home was in Arlington, N. J. He joined Prudential in 1920 and was with the mortgage loan and accounting departments in 1925 when he joined the law department. He was assistant supervisor of the law department until 1947 when he became secretary to the president.

ALEXANDER N. KEMP, 76, former chairman and president of Pacific Mutual Life who had an illustrious career as an insurance official, banker, and financier, died at Los Angeles.

His career began in 1900 with the Hong Kong and Shanghai Banking Corp. in London, England. He returned to the U.S. in 1903 as a junior executive in the bank's New York office and two years later joined Halsey & Co. at San Francisco. From 1909 to 1917 he was controller and vice-president of Pacific Light & Power Corp. and San Joaquin Light & Power Corp., from 1917 to 1923 controller and vice-president in charge of finances of Southern California Gas Co., and from 1923 to 1928 executive vice-president of California Bank.

Mr. Kemp became president of Pacific Mutual Life in 1935 and continued in that position until 1942 when he was chairman. Taking a leave of absence, he served as president of American Airlines from 1942 to 1945. Returning to Pacific Mutual, he again was named chairman and held that position until early this year when the title was abolished. He remained a director until his death.

EDWIN H. MILLER, 43, agent at Chicago for New York Life, died of a heart attack at his home there. He had been an agency supervisor of Mutual of New York at Chicago for 10 years before joining New York Life in 1945. Mr. Miller was a life member of Million Dollar Round Table and ranked as top midwest producer for New York Life last year.

HARRY E. CHARLTON, retired field auditor of John Hancock, died suddenly at his summer home in Chatham, Mass. He joined the company in the old Boston district in 1902, went to the home office in 1920 and retired in 1951 as field auditor for the auditing department.

CARROLL T. SCOTT, 52, Lincoln National Life general agent at Richmond, Va., died there after a short illness. He started in insurance in 1925 as an agent at Richmond for Reliance Life, eventually becoming manager of the Virginia department. When Reliance was

ADVERTISING OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltysek.
Assistant Editor: Edmund J. Brophy.
Editorial Assistant: Lorraine Ulrich.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103. Tel. Beekman 3-3058. Ralph E. Richman, Vice-Pres., J. T. Curtin Resident Manager.

merged with Lincoln National, Mr. Scott began representing the latter company.

Instructors for DITC Sought in Local Groups

Nominations for paid instructors for disability insurance training council A&H course have been requested from all local associations by the International Assn. of A&H Underwriters.

Local association presidents have been sent application forms with the request that they process their membership for competent people and encourage them to apply.

DITC was incorporated earlier this year as a non-profit, institutional-level organization to conduct courses in A&H at the local level. John G. Galloway, Provident L. & A., Birmingham, past president of the International, is serving as interim director.

A pilot DITC course was run in Indianapolis in April, May, and June; and a full scale operation with courses throughout the country is planned for September.

An organizational meeting of the council board is being held in Chicago to adopt by-laws, a budget, to plan the fall course, to hire a full-time director, and to consider instructor applications completed as of that date.

Liberty Life Tops '54 Pace

First half gains larger than those for the comparable period in 1954 were registered by Liberty Life, insurance in force increasing by \$47,061,997 and assets by \$3,774,309. Assets now stand at \$80,700,000 and insurance in force totals \$708,249,000.

Liberty Life, currently observing its 50th anniversary, last February moved into its new home office building at Greenville, S. C.

Tibbets 40 Years with Agency

Millard A. Tibbets was honored at a luncheon on his 40th anniversary with the W. Eugene Hays agency of New England Mutual Life in Boston. In attendance were several other long service agency men: Chester Perrine, 50 years in the business; Anthony W. Piston, 47 years; Harold W. Smith, 41 years; Albert S. Cushing, 40 years; Ernest G. Mitchell, 28 years; Lewis W. Avard, 36 years; and Mr. Hayes, 30 years. Also on hand was Dr. Roger P. Dawson, who has been medical examiner of New England Mutual Life 41 years.

Cite Hancock, Met Advertising

John Hancock Mutual and Metropolitan Life have been given awards by *Saturday Review*, among 24 other advertisers, for "distinguished advertising in the public interest." McCann-Erickson is the agency for John Hancock, and Young & Rubicam for Metropolitan Life.

Finley Named by Mass. Mutual

Massachusetts Mutual Life has named Donald G. Finley assistant supervisor of the Pacific Coast mortgage loan and real estate agency. He will work with Supervisor Frank S. Kinen and Assistant Supervisor John C. O'Dempsey at Los Angeles.



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Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
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Telephone Parkway 2140.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.

The NATIONAL UNDERWRITER

—Life Insurance Edition
EDITORIAL OFFICE:
99 John St., New York 38, N. Y.
Executive Editor: Robert B. Mitchell.
Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Main 1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. R. J. Wieghaus, Resident Manager.

CHICAGO EDITORIAL OFFICE:
175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Associate Editors: John C. Burridge, Charles C. Clarke and William H. Faltysek.
Assistant Editor: Edmund J. Brophy.
Editorial Assistant: Lorraine Ulrich.

CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgemuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

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Life Companies Hold \$450 Million in Toll Road, Turnpike Bond

Life companies in the U.S. at the start of the year held \$450 million in turnpike and toll road bonds, largely acquired in the past few years, according to Institute of Life Insurance.

An institute survey showed 180 life companies have some turnpike bonds in their portfolios, with individual company holdings running in excess of \$25 million in several cases.

The largest aggregate investment of life companies in a single turnpike is the \$80 million held in New Jersey Turnpike bonds. Massachusetts Turnpike and Indiana Tollroad came second with \$77 million.

Among the other turnpike bonds held by the life companies at the start of this year are: Denver-Boulder, Colo., Turnpike; Greenwich-Killingly, Conn., Expressway; Bay Harbor Islands, Fla., Causeway; Kansas Turnpike; Kentucky Turnpike; Maine Turnpike; New Jersey Garden State Parkway; New York Thruway; New York Jones Beach and Southern States Parkway; Ohio Turnpike; Oklahoma Turnpike; Pennsylvania Turnpike; West Virginia Turnpike.

The life insurance investment in turnpike bonds represents the financing for an estimated 350 miles of toll roads in 14 states and the turnpike development is just getting under way. At the start of the year, it was reported that 1,500 miles of turnpikes were in operation, another 900 miles were under construction and 3,700 miles were proposed, making an aggregate of 6,100 miles constructed, under way or proposed.

Turnpike financing is one of the newer investment channels developed in this country. The first such bond issue was floated in 1938, when Pennsylvania Turnpike was started, but most of the issues have come on the market in the past few years. There are now some \$3 billion of turnpike bonds outstanding and the proposed issues will greatly increase the aggregate. The life companies now hold more than one-seventh of all outstanding turnpike bonds.

McGee to Lutheran Mutual as Director of Agencies

C. O. McGee has joined Lutheran Mutual Life of Iowa as director of agencies.

Mr. McGee formerly was with Provident Mutual Life of North Dakota. He started with that company in 1939 and for the past six years was regional superintendent of agencies in Oregon, Idaho, and northern California.

Hackett Omaha CLU Chief

Carroll E. Hackett, Prudential, has been elected president of Omaha CLU chapter.

Other officers are Orville J. Surber, Guarantee Mutual, 1st vice-president; William L. Olson, Prudential, 2nd vice-president, and Dean B. Brubaker, Northwestern Mutual, secretary.

Travelers Appointments

Travelers has made these life and A&H appointments:

Carter Johnson Jr., field supervisor at Dallas, has been promoted to assistant manager at New Orleans with headquarters at Shreveport.

Robert B. Bolt, assistant manager at San Francisco, has been transferred to San Jose in the same capacity.

Named field supervisors were Harold L. More at Hartford, H. Hilton Lee at New York City, James R. Bryant Jr.

at Richmond, Kenneth Hecken at Brooklyn, and Victor A. Traub Jr. at Newark. Harry H. Hanbury, Los Angeles, and Neil E. Waldo Jr., Minneapolis, have been named agency service representatives.

First Half Auto Death Claims Total 19,000

Motor vehicle fatalities accounted for 19,000 life insurance death claims in the first six months and represented \$40 million in benefit payments, according to Institute of Life Insurance.

There were 20,000 claims for \$39 million in the first half of last year. The increased payments were due to greater life insurance ownership. The first half of the year actually recorded a decline in automobile fatality rates, according to initial estimates.

Carlsen Is Edgewater Manager

Hal J. Carlsen has been named resident manager of the Edgewater Beach Hotel, Chicago. Mr. Carlsen has maintained a friendship with many men in the insurance business during his 23 years at the hotel. He started work at the hotel as a room clerk in 1932, was named assistant manager in 1935 and executive assistant manager in 1950.

Washington Nat'l Appeals Ark. Commissioner's Ruling

LITTLE ROCK—Washington National has appealed Commissioner Combs' recent decision—in which he held the company had engaged in unfair trade practices—to the Pulaski county chancery court, seeking to have the commissioner's verdict erased. The company in its plea charged that Commissioner Combs had no legal cause to criticize its handling of the \$1 million policy on the life of George S. Benson, president of Harding College at Searcy.

The company seeks a court review of the commissioner's decision and a setting aside of his "cease and desist order."

At a hearing about a month ago a Little Rock life agent, John H. Greene, brought charges against Washington National of unfair practices and undue influence when trustees of Harding College put a life policy with Washington National that had been written previously by three other insurers. Mr. Greene was the agent who placed the coverage with the other companies.

Both Dr. Benson and officials of Washington National denied Mr. Greene's charges at the hearing before Commissioner Combs. Subsequently the commissioner ruled in favor of the plaintiff.

Add Purser, Nutt, Gaines to Midwest Management Card

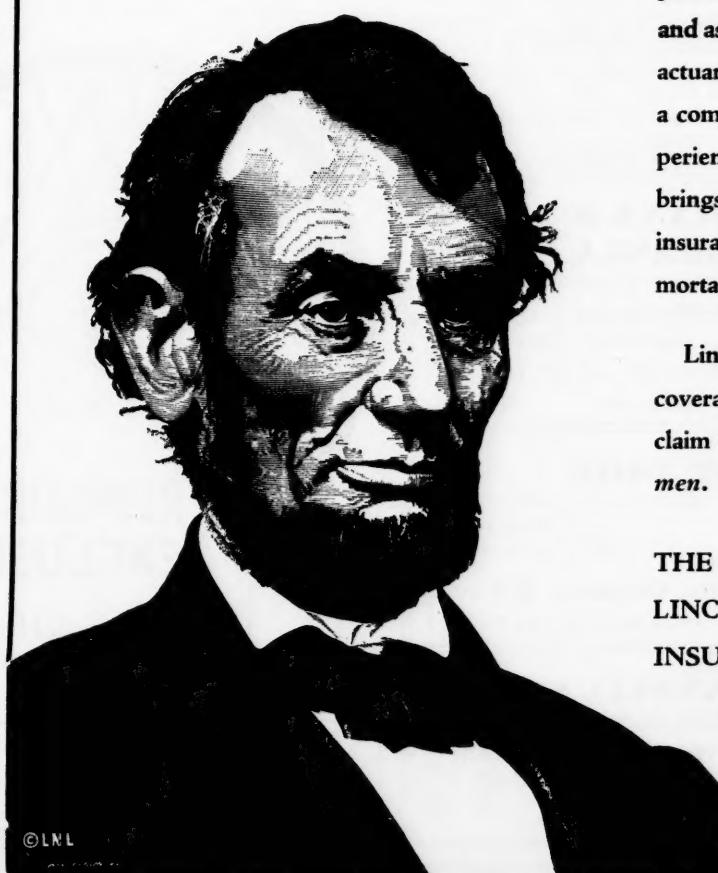
Carr Purser, Hal Nutt and Charles E. Gaines will address the annual Midwest Management Conference, scheduled for French Lick, Ind., Oct. 22-23. They are in addition to H. Bruce Palmer, president of Mutual Benefit Life, previously announced.

The conference, oldest of the association-sponsored management meetings, is staged by Indianapolis General Agents & Managers Assn. Chairman is Grant O. Q. Johnson, Indianapolis Life.

Mr. Purser, general agent for Penn Mutual Life in New York City and an officer and director of GAMC, will speak on "Supervision for Keeps." Mr. Nutt, director of the Purdue course, and Mr. Gaines, director of the institute at Southern Methodist University, will combine their talks to tell, "What the Institutes Have Taught Agents to Expect from Managers."

The Geist agency of Massachusetts Mutual Life at Chicago paid for \$1,659,500 in June, its 14th month of operation, thus ranking third among the company's 92 agencies. June was the second time since the agency was opened from scratch in May, 1954, that it ranked among the first 10 for monthly production.

BROAD, LIBERAL, AND SOUND



The Lincoln National field man offers impaired risk protection as *broad*, as *liberal*, and as *sound* as modern underwriting and actuarial science can make it. Backed by a company with 43 continuous years' experience in the substandard field, he brings the comfort and protection of life insurance to impaired risks with expected mortality as high as 500%.

Lincoln National's broad, impaired-risk coverage is another reason for our proud claim that *LNL is geared to help its field men.*

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**OUR EXPANSION PROGRAM OFFERS
A TREMENDOUS OPPORTUNITY
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★ EXCELLENT ACCIDENT AND SICKNESS AND HOSPITALIZATION POLICIES

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THE BOURSE PHILADELPHIA

**West Coast Life Has
New Low Premium Plan**

West Coast Life has introduced a new type of modified whole life policy, called the "M-2". It is different from the usual modified plan in that the premium remains level at all times.

The modification is in the amount of insurance which has an "initial face amount" during the first two years 33 1/3% higher than the "ultimate face amount" which becomes effective beginning with the third year. However, at the end of the first two years and each year thereafter, a special dividend provides additional one year term insurance which raises the total amount of protection to more than the "initial face amount" of the plan, based on the present dividend scale.

The minimum size "initial face amount" is \$10,000. The new plan may be written on a substandard basis up to and including table D.

Non-medical limits have been increased from the former maximum of \$7,500 to \$10,000 for males, ages 0 through 35, and from \$5,000 to \$7,500 for ages 36 through 40. Both single and married women can now be written non-medically for \$5,000 to age 40.

**Revised CLU Pamphlet
Published by College**

The revised pamphlet, *Announcing and Recognizing the New CLU*, has been published by American College.

With the information on announcing the new CLU, a couple of pages of recognition ideas that some of the companies have employed have been included in the booklet.

**Catastrophe Accident
Toll Lowest on Record**

Catastrophic accidents, those killing five or more persons, took nearly 550 lives during the first six months of this year in the U. S., Metropolitan Life statisticians report.

The total is somewhat smaller than that for the first half of 1954, and is one of the lowest on record.

Deaths in tornadoes increased appreciably since last year, reflecting the toll exacted by the tornadoes which swirled across five midwestern states

May 25, killing about 115 people, 80 of them in Udall, Kan.

During the six-month period there was only one other disaster in which 25 or more lives were lost—the Feb. 12 fire in a men's hotel in Chicago in which 29 were killed.

Catastrophes involving dwelling and apartment house fires, military aviation, and motor vehicle accidents took substantially fewer lives so far this year than last. The number of deaths in civilian aviation catastrophes is somewhat higher.

**Alaska Advertises for
Insurance Commissioner**

The secretary of the Alaska insurance commission advertised for an insurance commissioner in the want ad section of the *Chicago Tribune*.

The salary is listed as \$10,000 per year, and among qualifications desired are: College training, experience in the field of governmental insurance regulation or with a private insurance organization, knowledge of principle and technique of insurance, familiarity with underwriting and agency operation, and executive planning and organizing ability.

The commission is located at Juneau, P.O. Box 259

**Chuisano Now Manager in
North N. J. for Franklin**

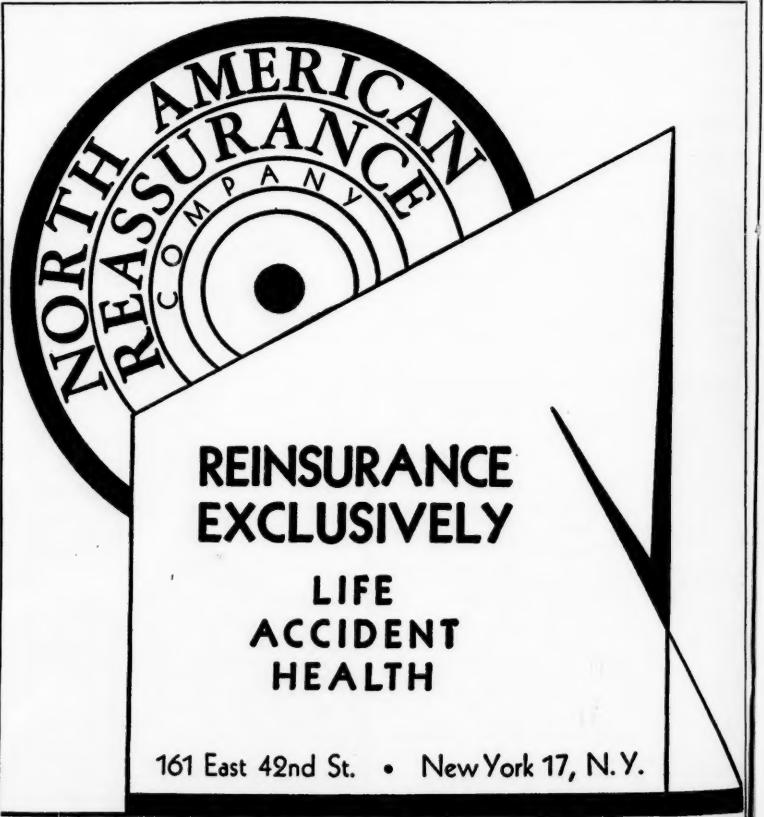
Jules Chuisano has been appointed to manager in northern New Jersey for Franklin Life.

Mr. Chuisano entered life insurance in 1940 as a debit agent with Metropolitan at Jersey City. In 1949 he was made assistant manager there and in 1951 promoted to the field training division at New York.

**Indianapolis Life Appoints
Gering, Flowers in Texas**

Indianapolis Life has named two new general agents in Texas, Jack Gering at Tyler and Marlin H. Flowers at Wichita Falls.

Mr. Gering, a CLU, has been in insurance for eight years, most recently as a broker. He at one time was with Ohio National Life at Dallas. Mr. Flowers has had previous insurance experience.





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Growing Faster Than Jack's Beanstalk

New sales records are appearing regularly these days at Fidelity Life Association as services and facilities are expanded. A new monthly high figure of over \$1 1/2 million was posted recently. A new daily high of \$300,000 has also been put on the books. There's no question about it—Fidelity Life is "growing faster than Jack's beanstalk".

NEARLY 73 MILLION DOLLARS OF INSURANCE IN FORCE

Fidelity Life

ASSOCIATION

A Mutual Legal Reserve Company
Home Office Fulton, Ill.

3 Argue Need of Welfare Fund Control

(CONTINUED FROM PAGE 5)

sive statute on welfare and pension funds.

Other panelists, including Horace E. Sheldon, director of the industrial relations department of the Commerce & Industry Assn. of New York, George Faunce Jr., vice-president of Continental Baking Co., and Mr. Segal disagreed. They pointed out that there are situations in which it is difficult, if not impossible, for employers to participate in the effective control of funds. If the joint control concept of 302 is really carried out by both parties, it has a very real, beneficial effect on labor relations, the latter two said.

Representatives of insurers declared there is vigorous price competition among the companies for group insurance. Gilbert W. Fitzhugh, 2nd vice-president of Metropolitan Life, pointed out as far as competitive bidding is concerned, the price of group insurance in the long run is not the initial premium but what it costs the customer over a period of years. He believes that if legislation were to require that group insurance be let on the basis of competitive bidding on price, it would be a disservice to the people who are being insured. Lane Kirkland, assistant director of social security activities, AFL, Washington, D. C., concurred. He added that it is a disservice to the public and to employees who are involved to imply that the requirement of competitive bidding is a solution to their problems.

Mr. Segal said insurers do not need any encouragement from the government for competition. "I want to draw a sharp distinction between the major insurers who are very sensitive to the long-range implications of a bad competitive practice and other insurers that are not," he said. "If you were to take competitive bidding strictly on a price basis, you would find a further development of what we call switching—where, despite the fact that one insurer has already amortized initial expenses and first-year commissions and other first-year costs, another insurer, trying to get that particular account, will come in with an attractive premium offer and will fail to point out to the trustees of that particular fund that in fact the switch means that the second insurer will have to charge all over again, perhaps in some concealed fashion, the very same first and second or third year expenses that have already been amortized. So if anything were to be done on this whole question of competition, I would say that we need more policing of what happens in competition rather than to encourage competition just for the sake of competition."

Competitive bidding on insurance plans is desirable to assure that at least a number of possibilities are explored and that the responsible persons have no ulterior motive in selecting a company. But, Mr. Kirkland said, it is not a solution or any guaranty that the group makes the right choice. If all groups selected their insurer on the basis of the low premium, the chances are that the bulk of the insurance might go to the least ethical and the worst insurers.

Some other important considerations in determining the worth of an insurance program, Mr. Fitzhugh pointed out, are the services an insurer renders in correctly designing the plan by providing underwriting, actuarial and legal advice; whether it is financially able to guarantee that claims will be paid whether there is an epidemic or whether there isn't an epidemic.

The state statutory requirement of

payment of commissions has increased costs in some cases and induced corruption in others, it was charged. Mr. Eddy expressed the viewpoint of the insurance business when he said:

"It is vital that we not provide a better price if a commission is not paid. If we were to permit a system under which a buyer could save cost, could avoid a reasonable cost of distribution by going direct to the home office, we would put all home offices in competition with their field forces and in a short time the field forces would disintegrate."

The panel substantially agreed that disclosure of all relevant facts—itemization of main expenditures, including fees and commissions, amounts paid in, amounts distributed in benefits, reserves held, and so forth, should be required as a deterrent to abuses. However, insurance representatives felt that disclosure should be limited to jointly administered collectively bargained plans. The labor representatives strongly urged that disclosure should apply to all welfare plans, including

those unilaterally administered by employers.

Mr. Sheldon said that Commerce & Industry Assn. of New York sees the need of improving the Taft-Hartley act because section 302 is inadequate, but it wants states first to be given an adequate opportunity to erect controls needed at that level before an attempt is made by Congress to write a comprehensive federal program.

Mr. Cruikshank said that before deciding which government is to handle the issue, the whole question of the tie-up between state insurance departments and the insurance business be checked very thoroughly and the adequacy of state legislatures to handle problems of this kind be measured carefully because of the lack of representation of labor in state governments.

Ford to Atlantic Life

Phillip Ford, formerly an agent of Continental Casualty in New York City, has been appointed field assistant in the A&H department of Atlantic Life. He will assist H. Stanley Marmaduke, A&H manager, and spend time in the field. Mr. Ford entered insurance in 1946 with Liberty Mutual.

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You should, Mister Agent . . .

Our training, topnotch sales aids and individualized policies to meet individual needs are designed to make more money for you under

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EDWARD G. SIMMONS
Executive Vice-President

KENNETH D. HAMER
Vice-President &
Agency Director

Role of N. Y. Law Defended by Executive

(CONTINUED FROM PAGE 7)

if any, must be paid for by the policyholders in the form of limitations or curbs or restrictions sometime in the future. I do not need to spell out in detail what form these curbs or limitations or restrictions may take but we have both seen them become a part of company practices in order to overcome earlier mistakes.

Then you go on to say, "competition will insure that compensation levels are high enough without being too high." The tone of your editorial would suggest that, in your judgment, present compensation levels are too low. How high do you think the compensation levels should be and who is registering a strong complaint about these present compensation levels? I quickly realize we are not going to get anywhere by this type of analysis and interrogation but perhaps you can see why I question your statements.

I should like to suggest that we together take a larger and longer look at our business in terms of our existing commission scales. Theoretically it

would seem to me that the distribution costs of a product should gradually come down as the product becomes better known and more widely accepted. Take for example the experience of the power and light companies in securing needed financing.

In the early days the power companies had to pay a high rate of interest on their mortgage indebtedness and the broker's commission for raising equity capital was very substantial. The situation has completely changed today. Perhaps this analogy that I have selected is not a good one, but I strongly suspect that the merchandising expense of radios, automatic washing machines, disposal units, television, nylons and even mutual funds was initially much higher than it is today with the increased public acceptance of all these items.

It seems to me that in view of the generally conceded increased awareness of the benefits provided by life insurance and the increased acceptance of the business, it is difficult to share

your conclusion that the distribution costs of insurance might properly be increased. In this connection it is rather interesting to point out that studies we have made over the years show that the commission incomes of our men have more than kept pace with rising living costs.

There is one basic condition which I keep constantly in mind which has perhaps escaped you. Strictly speaking, we have to work with a premium dollar which contains exactly 100 cents. These 100 cents must take care of all operating expenses, commission, taxes and provide benefits to our policyholders.

Any time you allocate a larger number of cents to any one group you must take away a corresponding number of cents from some other group. The problem confronting management is to increase benefits wherever possible by improving the efficiency of our operation but not by attempting to stretch dollars.

This is a point of view that I have expressed frequently with our field organization. The thoughtful and successful life insurance agent today is not, in my judgment, greatly concerned about his commission schedule. He is more likely from my experience to express concern as to whether the public, if generally aware of that scale, might not think it was unreasonably liberal. After all, a commission of one half the first premium payable the first year and all of the first premium paid out in commissions over a period of years might well be regarded as being somewhat excessive.

I will freely concede that the successful agent doing an advanced or specialized type of selling may be called upon for a greater amount of time-consuming service. Here again I wonder if he is not adequately compensated for the service work he performs. One of our better agents was in my office yesterday and among other things mentioned this increasing service work to which he is committed. At the same time he mentioned that the 2% service fees under his career contract are giving him presently an income of between \$10,000 and \$12,000 a year. This rather substantial amount of service income would seem to support a rather extensive amount of service work.

In actual practice a statutory limitation of the percentage of premiums which may be paid out in commissions does not necessarily result in a compensation ceiling for the agent. When inflation comes and the price levels rise, the size of individual insurance sales also tends to go up.

With a larger market in which to operate and the size of the sale increasing, our agents have been able not only to keep pace but keep pretty well ahead of rising living costs.

Then a little later on in your editorial you go on to say that "up to a point these (so-called blue-collar workers) prospects should not object to paying the higher price that these high commissions would involve." I don't really see quite how you are justified in making such a broad statement. I would only make this observation. These prospects may not be vocal in their protests but this sort of discrimination would certainly be used to advantage by the state savings banks in their life insurance departments.

Now I wonder if you really do believe that the agents of a high-cost, relatively non-competitive company would improve their production by in-

creasing their commissions. I rather doubt it. Please remember that the successful agent is doing reasonably well under existing commission schedules and the unsuccessful agent couldn't make a living if he received all of the premium dollars he collects.

Furthermore, remembering that the company only has these 100-cent dollars to work with, if the agent receives a larger share there will be a relatively smaller share remaining for the policyholder and the competitive position of the company will thereby increasingly worsen. At this point the company is really in a fix, and will search in every conceivable direction and possibly adopt further unsound and expedient innovations in order to attempt to maintain its position. At this point the company would probably run into further restraints and restrictions in the law and hope to have them abolished so it could pursue its own course freely and unhampered. This, in my judgment, is the sort of thing that would gradually lead the business back to the adoption of unsound and ill-considered practices which we saw at the turn of the century.

Perhaps we can find a bit of common ground in the assumption that it is the responsibility of the state to protect the interests of the policyholders. If we accept this premise, how would it be possible for the jurisdiction to protect the interests of the policyholders if it did not impose some restrictions and restraints on expenses? A large part of the total expenses incurred by a company is paid out in the form of commissions.

It would seem to me to follow quite logically that the state has a right and, in fact, a responsibility to the policyholders to concern itself with the amount of commissions paid. Furthermore, I have a conviction that this supervision of commissions is a great safeguard and truly in the public interest. It gives the management of a company a basis for avoiding the inordinate and unreasonable demands of some organized, self-interested pressure group to secure for themselves compensation or other benefits and privileges which would be excessively high or even exorbitant.

You are, of course, thoroughly familiar with the excesses and abuses that were rather common to our business at the turn of the century. You have undoubtedly read much of the conditions and circumstances existing in the business which produced these unfortunate practices.

Today it seems to me we have some of these same factors at work and most certainly we have a terrifically competitive situation existing within our



To make all A & H prospecting simpler, more effective, Berkshire has created the "SALES SIGHT SCORE KIT"—the most complete aid ever produced for the sale of Non-Can and Commercial A & H.

KEEP YOUR EYE ON
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LIFE INSURANCE COMPANY

PITTSFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851

W. RANKIN FUREY, C.L.U., President • H. S. HART, Agency Vice-President



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business. Frankly, I see many things, some of which I do not understand which I strongly deplore. These things are possible even with all the restrictions and curbs to which you refer.

Suppose we eliminate more of these restrictions and restraints. Are you quite convinced in your own mind that life insurance management today could successfully withstand the insistent pressures that would be built up on all sides to engage in all sorts of practices, possibly some good but undoubtedly many of them bad and certainly not in the interests of the policyholders or the general public?

I believe in one of your news items or possibly an editorial some time ago you referred to the New York law as being archaic. Well perhaps it may be in one or two minor directions and certainly the law should be changed in terms of new and different conditions which were not anticipated when it was enacted. Then, too, we are living in a changing world. The scientific advances alone are amazing and breathtaking. Our business must, of course, keep our minds open and be on the alert to meet change with change.

At the same time let's neither of us forget that human nature hasn't changed very much and it probably won't. It seems to me in this connection that we must both remember that the moral law has not changed and neither has our basic evaluation of ethical principles. The management of all companies must continue to identify and align themselves with these moral and ethical considerations.

The New York state insurance code, in my judgment, over the years has served the life insurance industry very well indeed. Although criticized by other jurisdictions, I am confident that it has had a salutary effect on the supervisory attitudes of other states. The curbs and restrictions and restraints which you criticize, in my judgment, are as greatly needed today as they were when they were adopted over the past fifty years. They have contributed much to the well-being of our business. They have required faithful compliance from the sixty odd companies operating in New York state. There is a strong possibility that rather than less, the business should have more supervision. In the case of my own company, which is dedicated to the principle and task of serving the best interests of our policyholders, we would not be the least fearful of such extended supervision.

Perhaps I seem to have gotten a little off the subject of compensation, but it seems to me to be all wrapped up in the broad question you have raised. There are many other observations I might make on your editorial, but I am sure I have already said enough to convince you at least that I am in complete disagreement with what you have said and your underlying philosophy. This is just for your information and does not constitute a formal statement which I would expect you to publish.

Prudential Promotes Two in Minn.

Emil Kelm Jr. has been named staff manager for Prudential at St. Cloud, Minn., to succeed Louis T. Coursolle, who has been named senior training consultant at the Minneapolis regional home office.

Mr. Kelm joined Prudential in 1952 as an agent at St. Cloud.

Mr. Coursolle joined the company at Minneapolis in 1934 and was promoted to staff manager at St. Cloud in 1950. Prior to his transfer, he was president of Central Minnesota Life Underwriters Assn.

Pacific Mutual's Univac System to Test Value for Smaller Companies

Pacific Mutual Life plans to begin operation of its electronic data processing system this month at the Los Angeles home office.

The \$2 million Remington Rand Univac is the first of its type to be used strictly for office record keeping on the Pacific Coast. The only similar installation is used for research activity by the atomic energy commission at the University of California.

The system will replace 1,750,000 record cards by recording them on 60 reels of magnetic tape, each about 8 inches in diameter.

An entire wing of the building has been completely remodeled to house the 17 Univac units which make up the system. It was necessary to open a section 70 feet square in one of the outer walls to get some of the larger units into the building.

Industrial and commercial firms have indicated an interest in Pacific Mutual's conversion to electronic equipment since the company is medium-sized and will serve as an indication of the degree to which such systems are feasible for smaller companies.

W. R. Nethercut Retires

William R. Nethercut, assistant counsel of Northwestern Mutual Life, has retired under the company's retirement plan. He was in charge of the title division.

The son of a Northwestern Mutual attorney, Mr. Nethercut's first association with the company dated back to 1907 when he worked part-time while in high school. He was with the company from 1913 to 1916 while attending Marquette University law school and then rejoined the company in 1924.

Biggers Heads New Insurer

B. F. Biggers, who retired from active management of life insurance companies in Oklahoma and Texas eight years ago, has reentered the business as president of the newly organized All States Life of Dallas. Mr. Biggers organized the Republic Mutual Life of Dallas, which later became the Republic National Life, and he also formed the Republic Life of Oklahoma.

Monumental Life Promotes Four

Monumental Life has promoted Ernest Schiavone, Robert A. Walther, both of Cleveland, James J. Herbert, Washington, and William E. Silcott, Gary, Ind., to staff managers in those cities.

Guarantee Mutual July Sales Up

Paid for sales of new life insurance and Guarantee Mutual Life during July exceeded by 22% sales for the same month of last year. The number of consecutive gain months is seven for the year and for the first seven months the company is ahead of 1954 by 31.5%, according to J. D. Anderson, agency vice-president. The Carl M. Leonard & Son agency of Tulsa was the leader for the month.

Set up Fla. Painters' Group Plan

A plan providing group hospitalization, death and wage benefits for 1,600 members of Miami Local 365, AFL Painters Union, and their dependents has been set up as first of its kind in Florida.

Death and weekly sick benefits cover the employees, while the rest of the benefits are applicable to wives and children under 19 years of age. Six hundred hours of covered work are required to obtain initial benefits. Journeyman doing bona fide work for their own account may pay into the fund.

Employers pay 8 cents a man-hour worked into a health and hospitaliza-

tion fund and 2 cents into an administrative fund. The plan is administered by three trustees from the employers and three from the painters.

White. Mr. Bossart is past president of Westmoreland Assn. of Life Underwriters.

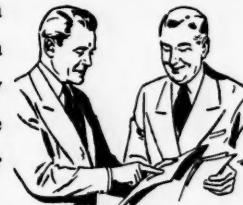
American United Names Two Assistant Actuaries

John W. Lincoln and Paul J. Overberg have been named assistant actuaries by American United Life. Both are associates of the Society of Actuaries. Mr. Lincoln joined the company in 1953 after several years of experience in the life insurance field. His responsibilities will relate primarily to the actuarial reinsurance service, mortality studies and other applications of statistical method. Mr. Overberg began in insurance in 1950 and joined American United in 1954. His duties will be primarily in the direct ordinary price and design area.

Since its inception, Cal-Western's "YOU, Inc." training program for agents has attracted interest from many segments of the life insurance industry. If the program has enjoyed above-average success, we believe it is due, first to extremely careful selection standards, and second to certain basic concepts around which "YOU, Inc." is framed. In this series of messages, we present some of these concepts . . . not in the spirit of boastfulness . . . but because they may be of value to the industry as a whole.



A. The best way to learn is to put newly-acquired knowledge into action. Industry applied this principle with phenomenal results during the last war. Cal-Western was one of the first life insurance companies to adapt the technique to sales training. Each step in our "YOU, Inc." program proceeds from office instruction to field application. We firmly believe it builds confidence earlier . . . and lays a sounder base for future development.



No. 3 OF A SERIES

California-Western States Life Insurance Company

HOME OFFICE: SACRAMENTO

READY FOR YOUR OWN BRANCH?

Show us you can recruit and "build" men and we'll make you an attractive offer. We provide and equip office, finance men and furnish training program. Salary, bonus and other benefits.

Opportunities for your own Branch right now in Iowa, Minnesota or the Dakotas. Write box G-25, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill. in confidence.

Pilot Life Names GAs at Greenville, Savannah

Pilot Life has appointed Frank K. Hinnant and Michael J. Cuman general agents at Greenville, S. C., and Savan-



F. K. Hinnant



M. J. Cuman

nah, respectively. Mr. Hinnant, who has been agent and agency supervisor at Charlotte, succeeds R. C. Simpson, general agent more than 30 years. Mr. Simpson will continue to represent the company in personal production.

Mr. Curran entered insurance in 1953 with Franklin Life.

Hits New July Sales High

July sales of Indianapolis Life were the highest for any similar month in

company history, again of 29% over July of last year. Sales for the year to date are 16% ahead of last year.

Jack Peckinpaugh, Muncie, Ind., was the leading agent during July, and topping all agencies was the Brougher agency at Columbus, Ind.

General American Cuts Creditors Group Life Rates

General American Life's creditors group life rates have been reduced in most classifications. In some cases, both for voluntary and automatic participation, premiums have been lowered as much as 20%.

The maximum amount of insurance on an individual life has been increased from \$5,000 to \$10,000, and for the first time the coverage will be available with or without a total and permanent disability benefit.

Pacific Mutual Sets Sales Mark

Pacific Mutual Life experienced its biggest production month for the June 16-July 15 period. New ordinary business topped the \$25 million mark, 20% better than the previous high and 2½ times the corresponding 1954 period.

Leading general agent for the month was A. E. Kraus, Los Angeles.

Equitable, Ia., Has Best July

The greatest July in history of Equitable Life of Iowa was recorded with \$11,321,865 of new paid production,

bringing production for the first seven months to \$82,510,989, a gain of 9.7% over the comparable period in 1954. Life insurance in force was increased to \$1,400,043,636.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

EDUCATIONAL DIRECTOR

Pan-American Life Insurance Company, one of America's fast growing companies, needs a man to take over and direct the educational program of our Field Organization. We would prefer a man who has had experience both in the Field and in a Home Office. He will live in "America's Most Interesting City" and work in one of the most beautiful Home Office Buildings in the United States, with the swellest kind of people. Send résumé, with picture, in confidence to Kenneth D. Hamer, Vice-President and Agency Director, Pan-American Life Insurance Company, 2400 Canal Street, New Orleans 19, Louisiana.

ASSISTANT AGENCY MANAGER WANTED IN CHICAGO

Here is an exceptional opportunity to step into a good position as an Assistant Manager in one of the largest Agencies of a moderate sized Midwest Company. The Company writes both Life Insurance and Accident and Health Insurance. This Agency gets its business from general insurance men. The Assistant Manager would help close business and also would help recruit new general insurance men. Applicant needs a minimum of two years personal production with some supervision experience desirable. Age 30-45. Chicago and vicinity. Salary and commission. Give full details and photo in first letter. All replies confidential. Address Box G-68, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY IN Life Sales & Programming

Life insurance company in New York City seeks young man 25-30 with life sales or programming experience to join Business Development Department in home office. Must be college graduate. Will program and advise policy holders by mail. Will counsel in person with policy holders at home office.

Opportunity For Advancement

Staff benefits include liberal Retirement, Disability Income, and Group Insurance Plan. Please write giving full personal and business data as well as salary requirements. All replies held confidential. Box NU 1391, 221 W. 41st St. New York 36.

WANTED AGENCY MANAGER

A progressive Life and A & H Company, Home Office in Dallas, Texas, offers an excellent opportunity to an able man qualified to recruit and train men and demonstrate the selling of Life and A & H insurance in the field, for an established agency in Fort Worth, Texas. All eligible associates have been informed of this ad. Excellent opportunity for the man who wishes to build for the future with aggressive and expanding organization. Salary, commission, expense account. State age, address, present occupation, past experience, references, and enclose photo with first letter. Reply in confidence to Box G-55, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY SUPERINTENDENT

Rapidly growing mid-western company specializing in H&A needs man in \$10,000 per year range to establish agencies. Must have proven ability to recruit and train. Will have option of salary and bonus or commission. Write full details of background and experience to Box G-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Interested in Home Office connection for field work. Twenty-four years experience as agent, general agent and state manager. Always produced personally around \$400,000 annually besides training and recruiting men. Average annual earnings last 10 years over \$18,000. Would like to use my ability, sales ideas, etc., over larger territory. Prefer midwestern and medium size company; however, size or location no obstacle. Address Box G-78, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

MANAGER

Well established general insurance agency in central Ohio city, population of 80,000, seeks a man of experience capable of taking charge of Life, Accident and Health department. Must be qualified to produce business and train sales force. State experience and qualifications. Box G-66, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARIAL POSITION AVAILABLE

A multiple line life company located in a medium size Eastern city wants a young man 25 to 35 with actuarial qualifications and experience. At least four actuarial examinations. Group experience desirable. Write Box G-71, The National Underwriter Co., giving background, experience, military status and salary requirements.



This is the fifth of a series of advertisements about Kansas City—and Kansas City Life.

Which one of these men comes from Kansas City?

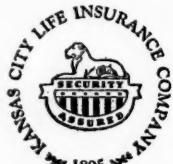
Doctor, lawyer, merchant, chief—you'll find them all in the Heart of America—and that's the answer. All these men come from Kansas City!

Kansas City is the cosmopolitan Heart of America. The million people who make up this growing metropolitan area come from all walks of life—and from all sections of the country.

They've found something "special" in Kansas City—something fine. It's the friendly progressive spirit that's as sincere as the firm clasp of a hand.

The spirit of this friendly cosmopolitan city is reflected by the more than 2,000 men and women who represent Kansas City Life in 39 states and the District of Columbia. You find it in their ability to recognize and deal with all types of people. It has won them the respect of their neighbors and success in business as insurance counselors.

KANSAS CITY LIFE INSURANCE CO.
Broadway at Armour, Kansas City, Missouri



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Western States Officers Say Murchison Won't Win Company Control

FARGO, N. D.—Executives of Western States Life have expressed confidence that the Murchison interests of Texas will not succeed in getting control of the company. Walter B. Lehmkuhl, vice-president of Western States, said the management is trying to persuade stockholders to sit tight in the face of the \$5 per share offer made by the Texas people.

The stock has been selling at \$2.50 to \$3 a share. P. R. Barry, a Fargo financial consultant, is representing Murchison. It is not known how much stock the Texans have acquired.

Last winter C. W. Murchison interests bought control of Midland National Life of Watertown, S. D., and there are reports here that he also is interested in getting control of Provident Life of Bismarck, N. D.

Western States Life has about \$62 million of insurance in force and assets of about \$12,500,000. There are 341,000 shares of stock outstanding, owned by approximately 8,000 stockholders.

C. W. Murchison presently is forming a new \$16 million life insurance company at Richmond, Va. The state's corporation commission has granted a charter. The \$16 million is the authorized capitalization. None has been paid in so far. Other Murchison-controlled companies are Atlantic Life of Virginia and Lamar Life of Mississippi. Various officers of these companies, including Presidents R. V. Hatcher of Atlantic Life and Peter K. Lutken Sr. of Lamar, are listed as officers of the newly-chartered insurer at Richmond.

22-Year-Old Akron Agent Writes \$315,000 in 1st Year

Production that would make many veteran agents envious was registered by 22 year old Marjorie H. Conger during her first year as a Northwestern Mutual Life agent.

The attractive Akron miss, a business graduate from Ohio State University, wrote \$315,000 during her first 12 months as a full-time agent. Even then Miss Conger was away from her home city for several weeks on vacation trips that involved considerable travel—something, she points out, that would not be possible for her in any business other than life insurance.

Eliminating fear of the future by creating immediate family and personal estates is Miss Conger's greatest satisfaction from life insurance. She adds, however, the business is as rewarding as it is interesting. She finds particularly attractive the fact that she can work as many or as few hours as she wants, and when she wants.

A strong advocate of organizing the working day, Miss Conger makes calls only after previously arranging an appointment. She sets up nearly all appointments by phone, and finds this a great time-saver.

Miss Conger, who intends to make a career of life insurance, is beginning the CLU studies and attended the course conducted for women at the insurance marketing institute at Purdue University. She is an insurance pioneer in the Conger family as her father and a brother are physicians and another brother is a geophysicist.

The San Francisco office of Canada Life has moved to new and larger quarters at 200 Bush street.

Ask Government Health Plan With 3 Options for Servicemen's Dependent

Defense Department has submitted to Congress a proposal to provide medical care for dependents of military personnel under three optional plans, one of which would be contributory health insurance written by private insurers.

Under the insurance plan option, servicemen would pay not more than 30% of the monthly cost nor more than \$3 a month and the government would contribute toward the premium.

Dependent care also would be provided in military medical facilities subject to availability of space, facilities and capabilities of the medical staff. A third option would provide care through civilian medical sources for dependents not taking part in an insurance plan, provided no military medical facilities are available to them.

The insurance plan would cost the government an estimated \$73 million, with about 900,000 expected to participate. Gross cost of medical care performed under the plan is figured at \$88 million, with contributions of servicemen at \$3 per month per family estimated at \$15 million.

Inclusion of the insurance option is the major revision made in an earlier proposal, under which the Secretary of Defense would have been authorized to use insurance as a secondary alternative in special instances where it was felt that such an approach would be the most economical. The plan resulted from a study undertaken two years ago by a special advisory committee investigating how the government could pay for the cost of medical care incurred by military dependents unable to make use of post medical facilities because they reside too far away or because of inadequate military medical facilities. The committee advised against any insurance plan, and the original bill restricting use of private health insurance to special cases

under the secretary's discretionary authority resulted from its recommendations. The new proposal, however, is broader and more flexible.

J. F. Dew Heads North America

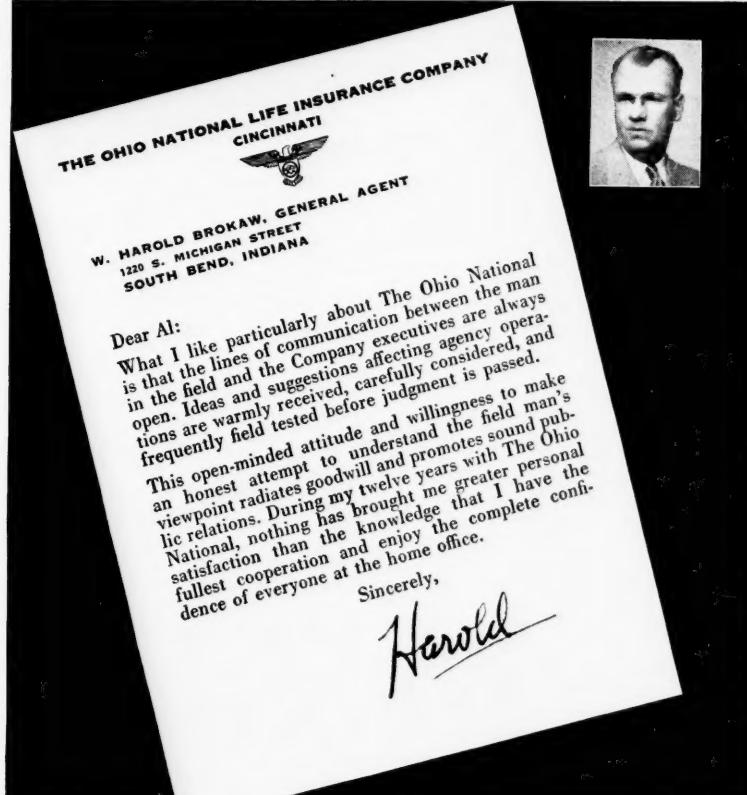
J. Franklyn Dew has been elected president of North America Assurance, succeeding Robert U. Woods who has been elected chairman. Mr. Dew joined the company in 1938 and has been on the board since 1940 and vice-president since 1942. Mr. Woods, one of the founders of the company, joined it as vice-president in 1937. Vice-president John M. Dew has been elected to the board.

Nicol Joins Commonwealth

William K. Nicol has been named controller of Commonwealth Life.

A fellow of Society of Actuaries, Mr. Nicol formerly was with Teachers Insurance & Annuity.

Chairman Robert C. Walker of Life of Virginia, who died last December, left assets worth \$2,026,250, according to a partial inventory of the estate filed in Montgomery County, Pa. Largest item was 780 shares of stock in Life of Virginia valued at \$1,278,000. Mr. Walker, an attorney, resided in Ardmore, Pa.



There's something Special about a Maccabees Agent

Confidence . . . not only in himself (he knows he *must* be sharp to be on The Maccabees team) . . . but also in The Maccabees, who, through their package insurance program offer plans to fit every primary need.

Then, too, Mr. Maccabees Agent gets high-powered sales aids FREE to produce qualified prospects. He doesn't even have to pay postage costs on his direct mail!

Finally, of course, Mr. Maccabees Agent's income makes him a pretty confident fellow. And he can expect it to increase still more because he receives solid home office support . . . progressive field department leadership . . . "sympathetic" underwriting . . . with everyone in the home office working for his benefit.

If you would like to have the confidence of a Maccabees Agent, write to Robert O. Shepler, Field Director. There are excellent opportunities for rapid advancement in many territories of the United States and Canada.

THE MACCABEES
—a Life Insurance Society
The Maccabees Building • Detroit 2, Michigan

Offices in principal cities of the United States and Canada

Ohio State Life Offers to Buy Midland Mutual Stock

(CONTINUED FROM PAGE 1)
stockholders to 10% of that amount.

Midland Mutual in 1954 had new sales of \$33,927,925, and insurance in force at year end of \$278,249,834. Assets at Dec. 31, 1954, were \$85,155,611.

Ohio State Life's 1954 sales amounted to \$34,464,473, and at year end it had insurance in force of \$286,293,757 and assets of \$75,564,494. The company was organized in 1906.

Chester O. Sullivan, president, said Midland Mutual has not entered into any negotiations whatever with Ohio State Life or any other company regarding merger. "On the contrary, the Midland proposes to mutualize and turn control of the company over to its policyholders."

"Under the Midland's charter," he said, "the value of its stock is limited to \$200 per share. By the charter which they adopted the founders of the Midland imposed this limited stock value upon themselves and all future stockholders and further provided specifically that the surplus of the company belongs to its policyholders. These two principles that our policyholders rights are paramount and our stockholders rights are limited have been guideposts which our company has faithfully observed throughout its almost fifty years of operation. In order to preserve these principles and fulfill the obligations imposed by our charter and in order to guarantee that our surplus will be preserved for our policyholders our directors have adopted a plan that the company be completely mutualized. This means that if the plan of mutualization is approved by our stockholders the Midland will be owned entirely by its policyholders and its surplus will be exclusively within their control as contemplated by our charter."

"Each stockholder of the company upon acceptance of his stock certificate assented and agreed to this method of protecting policyholders. By approving the proposed plan of mutualization our stockholders will fulfill their obligations under the charter."

In another statement describing benefit to policyholders of mutualization, Mr. Sullivan emphasized these points:

Mutualization would guarantee that the surplus of the company—amounting to more than \$6 million—would be preserved for the policyholders, as required by the Midland's charter.

Under the mutual plan, all earnings of the company would belong to policyholders, since there would be no stockholders' dividends to be paid.

"Mutualization," Mr. Sullivan added, "would mean that the Midland would be owned entirely by its policyholders and its surplus would be exclusively within their control. Moreover, conversion of the Midland to a purely mutual life insurance company would safeguard this surplus from any danger of dissipation or loss."

"It is obvious," Mr. Sullivan continued, "that the founders of the company intended the Midland to be, first and above all, a policyholders' company. They limited the amount of dividends which could be paid on the stock. They limited the value of the stock to \$200 per share. They specifically provided that the surplus of the company belongs to the policyholders. From this it is clear that they intended that the rights of policyholders should be paramount."

"Turning control of the Midland over to its policyholders is a step contemplated by the founders of the company," Mr. Sullivan added. "The charter which they adopted specifically gives the di-

rectors the right to retire the stock and convert the company into a mutual company. Each stockholder assented to this provision of the charter when he purchased his stock."

Laws Clarify Stepchild and Stepparent; Allow Lump Sum Lawyers Fees

WASHINGTON - President Eisenhower signed bills to permit lump sum payment of attorneys' fees in suits for waiver of premium on account of veterans' total disability and to redefine the terms "stepchild" and "stepparent" under servicemen's indemnity.

One law requires that a stepchild be a member of insured's household, unless designated as beneficiary by insured, and that a stepparent, unless designated as beneficiary, show he stood in loco parentis to insured prior to the latter's attainment of 21 years of age and for a period of not less than one year prior to his entry into active service. The bill's purpose was to correct deficiencies in this section of the servicemen's indemnity act of 1951.

The other law amends a section of the world war veterans act of 1924 to provide that in any suit brought by insured during his life for waiver of premiums on account of total disability, the court as part of its judgment or decree shall determine and allow a reasonable fee to be paid by insured to his attorney.

The law previously barred payment of any fee in excess of 10% of the amount recovered and provided the amount should be paid by the veterans administration out of payments to be made under the judgment or decree at a rate not exceeding one-tenth of each such payment until paid.

Midland Mutual Plans Two Regional Meetings

Midland Mutual Life is holding two regional meetings at the Summit Hotel near Uniontown, Pa., and French Lick, Ind., for field representatives and home office executives.

The Summit meeting is being held Aug. 18-20 for agencies in Ohio, Pennsylvania, New Jersey and North Carolina.

The Indiana meeting, scheduled for Aug. 25-27, will be attended by producers from certain Ohio agencies as well as from Michigan, West Virginia, Indiana, Illinois and Kentucky.

Subjects to be covered include effective selling approaches, the use of direct mail, the company's new A&H program, underwriting and clientele building. Featured speaker at each meeting is William Highfield, A&H editor of Insurance R. & R.

VA Asks Decision Reversal in Benefit Assignment Case

(CONTINUED FROM PAGE 1)
opinion Judge Delahant was "entirely right," and added: "If companies were compelled to pay in this and similar cases, rates must be materially increased. This is because of longer stays permitted in veterans hospitals than in private or commercial hospitals."

Judge Delahant's opinion was founded largely on the language of the policy which protected Kinner against liability for expenses actually incurred. According to St. Paul-Mercury, Kinner did not incur personal liability to the veterans administration.

If the VA is successful in reversing the opinion, there will undoubtedly be a wave of suits on the part of the VA against numerous insurers, involving millions of dollars. Nearly all companies have taken the stand that they are not liable for expenses incurred by their insured in VA hospitals.

A. B. Dalager to Retire from Equitable Society

Alvin B. Dalager, senior vice-president of Equitable Society, will retire Sept. 1.

Mr. Dalager, who is in charge of agency affairs, has spent his entire career in the business with Equitable Society. He began as a part time agent while working in a bank in Austin, Minn., and later became a full time agent with W. W. Klingman's agency in St. Paul. He became a unit manager and, when Mr. Klingman went to the home office as vice-president, took over the agency's supervision.

Mr. Dalager was named manager at Wilmington, Del., where he doubled the business each year. He was moved to the home office as 2nd vice-president in 1938 and later succeeded the late Vincent Welch as director of agency affairs. His promotion to senior vice-president followed.

Osborn Made Field Service Manager for Ohio National

Ohio National Life has appointed Samuel Osborn manager of field service. He succeeds Albert N. Beardshear who resigned as director of sales promotion after nine years with the company.

Mr. Osborn has been with Ohio National for three years as assistant field service manager. He will be in charge of all phases of the company's field service activities. Before starting in insurance he spent five years in the retail advertising field.



Samuel Osborn

Federal, Chicago, Plans Largest Sales Convention

The importance of the agents' job and his responsibilities to the insuring public is the theme for what will be the largest sales convention in the history of Federal Life of Chicago.

Speakers for the meeting, which will be held Aug. 29-Sept. 2 at the Shawnee Inn in Pennsylvania, include Charles J. Zimmerman, managing director of LIAMA; Ralph R. Lounsbury, president of Bankers National Life; Charles R. Howell, New Jersey insurance commissioner, and Milton J. Goldberg, assistant superintendent of Equitable Society.

The opening session will be addressed by L. D. Cavanaugh, chairman, and Spencer R. Keare, president.

Franklin Life Names Aubry General Agent at Toledo



Harold A. Aubry

Harold A. Aubry has been named general agent for Franklin Life at Toledo.

Mr. Aubry began his insurance career with Aetna in 1948, ranked third nationally in production for Aetna last year and qualified for the Million Dollar Round Table in 1954 and 1955.

Maccabees Report Cited

The Maccabees, for the third consecutive year, has received a merit award from *Financial World* for its annual report. Of 5,000 annual reports submitted, the Maccabees placed among 43 to be considered for the best of industry award.

Convention Dates

Aug. 17-20. Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.

Aug. 21. American Bar Assn., insurance law section, annual, Philadelphia.

Aug. 22-26. National Assn. of Life Underwriters, annual, Jefferson hotel, St. Louis.

Aug. 25-28. Texas Life Convention, annual, National hotel, Havana, Cuba.

Sept. 5-7. International Federation of Commercial Travelers Insurance Org., annual, Sun Valley Lodge, Sun Valley, Idaho.

Sept. 14-16. Life Insurance Advertisers Assn., annual, Essex House, New York City.

Sept. 26-28. Bureau of A&H Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.

Sept. 26-28. National Fraternal Congress of America, annual, Royal York hotel, Toronto, Ontario.

Sept. 26-28. Life Office Management Assn., annual, Edgewater Beach hotel, Chicago.

Sept. 26. Fraternal Actuarial Assn., Royal York Hotel, Toronto, Ontario.

Sept. 29-30. Michigan General Agents & Managers Conference, Michigan State college, East Lansing.

Oct. 5-7. Society of Actuaries, annual, Sheraton-Mount Royal hotel, Montreal, Quebec.

Oct. 6-7. Eastern General Agents & Managers Conference, Harrisburg, Pa.

Oct. 11-14. American Life Convention, annual, Edgewater Beach hotel, Chicago.

Oct. 19-21. Assn. of Life Ins. Medical Directors, Statler hotel, New York City.

Oct. 20-21. Atlantic alumni of LIAMA schools, Rye, N. Y.

Oct. 20-23. Mid-west General Agents & Managers Conference, French Lick, Ind.

Oct. 26-28. Institute of Home Office Underwriters, Kentucky hotel, Louisville.

Oct. 26-28. American Management Assn., Insurance Conference, Palmer House, Chicago.

Oct. 27. Northern California General Agents Nov. 4-5. Southwest General Agents & Managers Conference, Dallas.

Nov. 7-11. Life Insurance Agency Managers & Managers Conference, Berkeley, Calif., annual, Edgewater Beach hotel, Chicago.

Nov. 19-20. Pennsylvania Assn. of Life Underwriters, George Washington hotel, Washington, D. C.

Nov. 28-Dec. 2. National Assn. of Insurance Commissioners, midyear, Commodore hotel, New York City.

Dec. 12-13. Assn. of Life Insurance Counsel, winter meeting, Waldorf-Astoria hotel, New York City.

Dec. 14-15. Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York City.

DR. JOHN POST, 62, medical director of Life & Casualty of Tennessee from 1942 until his retirement in 1950, died in Nashville. He previously had been assistant medical director of Pilot Life.

JOSEPH H. REIMAN, 87, chairman and president and one of the founders of Knights Life, died at Pittsburgh. He had held both offices of the company 38 years.

DR. EDMUND W. WILSON, 70, formerly assistant medical director of Metropolitan Life, died in New Rochelle (N. Y.) hospital after a long illness. His home was in Larchmont, N. Y. He retired in 1950 as an officer of the company after 20 years in the medical division. Before entering insurance he was with Boston City hospital many years.

CLEM J. BOEX, 61, associate general agent of Equitable of Iowa at Cincinnati, died there.

Shenk to Paul Revere

John W. Shenk has been named general agent at New Orleans of Massachusetts Protective Association and Paul Revere Life. Mr. Shenk, who has been in New Orleans for seven years, has been assistant manager of home life.

Approximately 200 home office employees and their families attended the annual picnic of Midland Mutual Life at Gold Cliff Park near Circleville, O.

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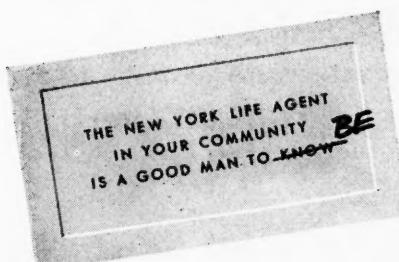
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